

① No.

88-67

Supreme Court, U.S.

FILED

JUL 1 1988

JOSEPH F. SPANIOL, JR.
CLERK

IN THE
Supreme Court of the United States

October Term, 1988

ALLEN ORGAN COMPANY,

Petitioner,

— v. —

KIMBALL INTERNATIONAL, INC.,
MACMILLAN, INC.,
CONN KEYBOARDS, INC.,

Respondents.

**PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

DAVID H. PFEFFER, *Counsel of Record*

ALFRED P. EWERT

J. ROBERT DAILEY

KARL M. ZIELAZNICKI

MORGAN & FINNEGAN

Counsel for Petitioner

345 Park Avenue

New York, New York 10154

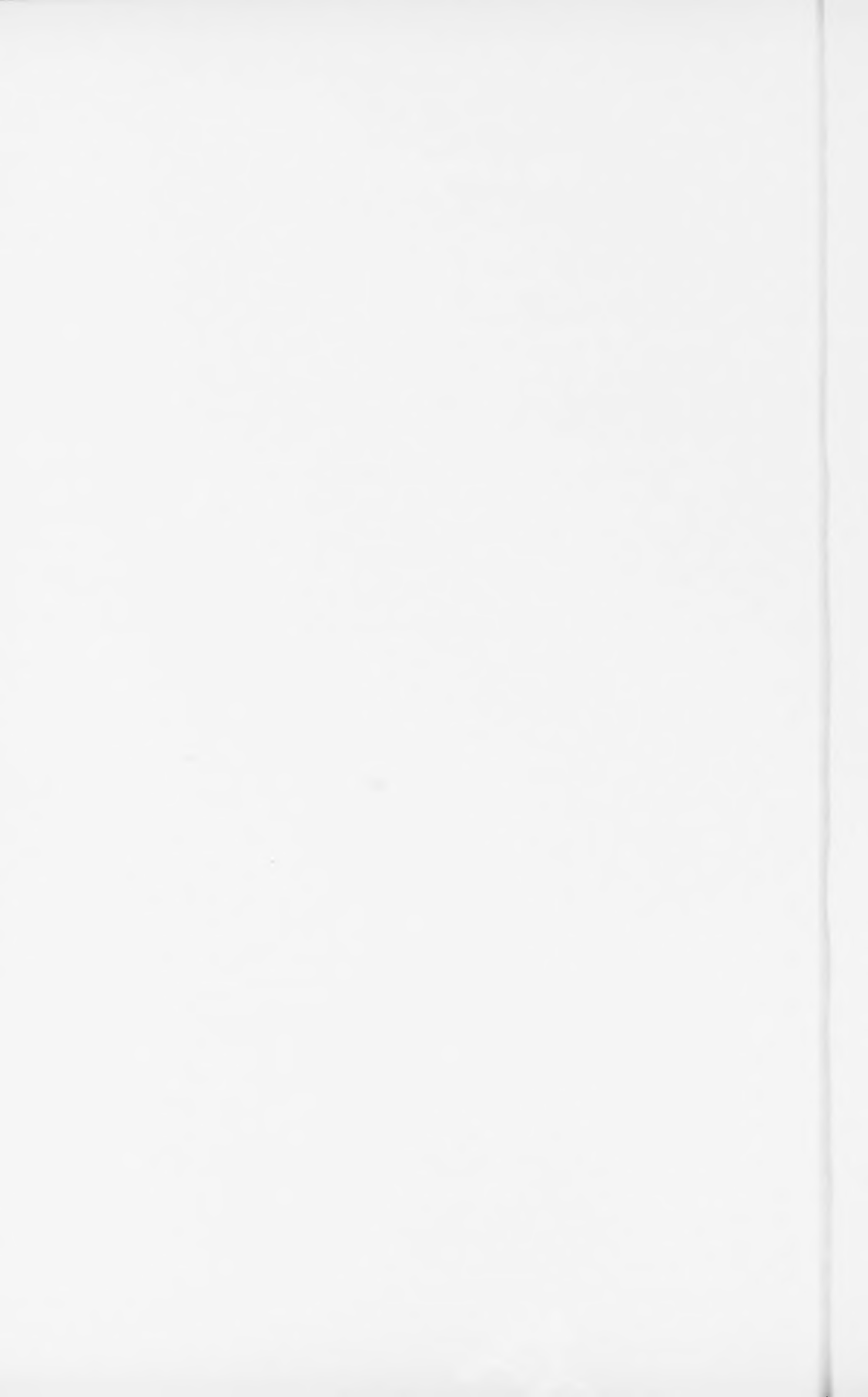
(212) 758-4800

Of Counsel:

SANFORD J. PILTCH

2895 Hamilton Boulevard

Allentown, Pennsylvania 18104



QUESTIONS PRESENTED FOR REVIEW

1. Where the jury returns an inconsistent verdict which can be reconciled in either of two ways, each leading to a different final judgment, is the Seventh Amendment to the Constitution violated by the Federal Circuit's practice of selecting one of those two ways and entering judgment on the verdict thus selectively reconciled?

2. Does the Seventh Amendment to the Constitution require remand for a new trial where there are inconsistencies in a jury verdict that can be reconciled in either of two ways, each leading to a different final result?

3. Where the jury returns an inconsistent verdict, is the Seventh Amendment to the Constitution violated where the Court of Appeals resolves the inconsistency as a "procedural matter" by simply rewriting the jury findings to eliminate inconsistencies?

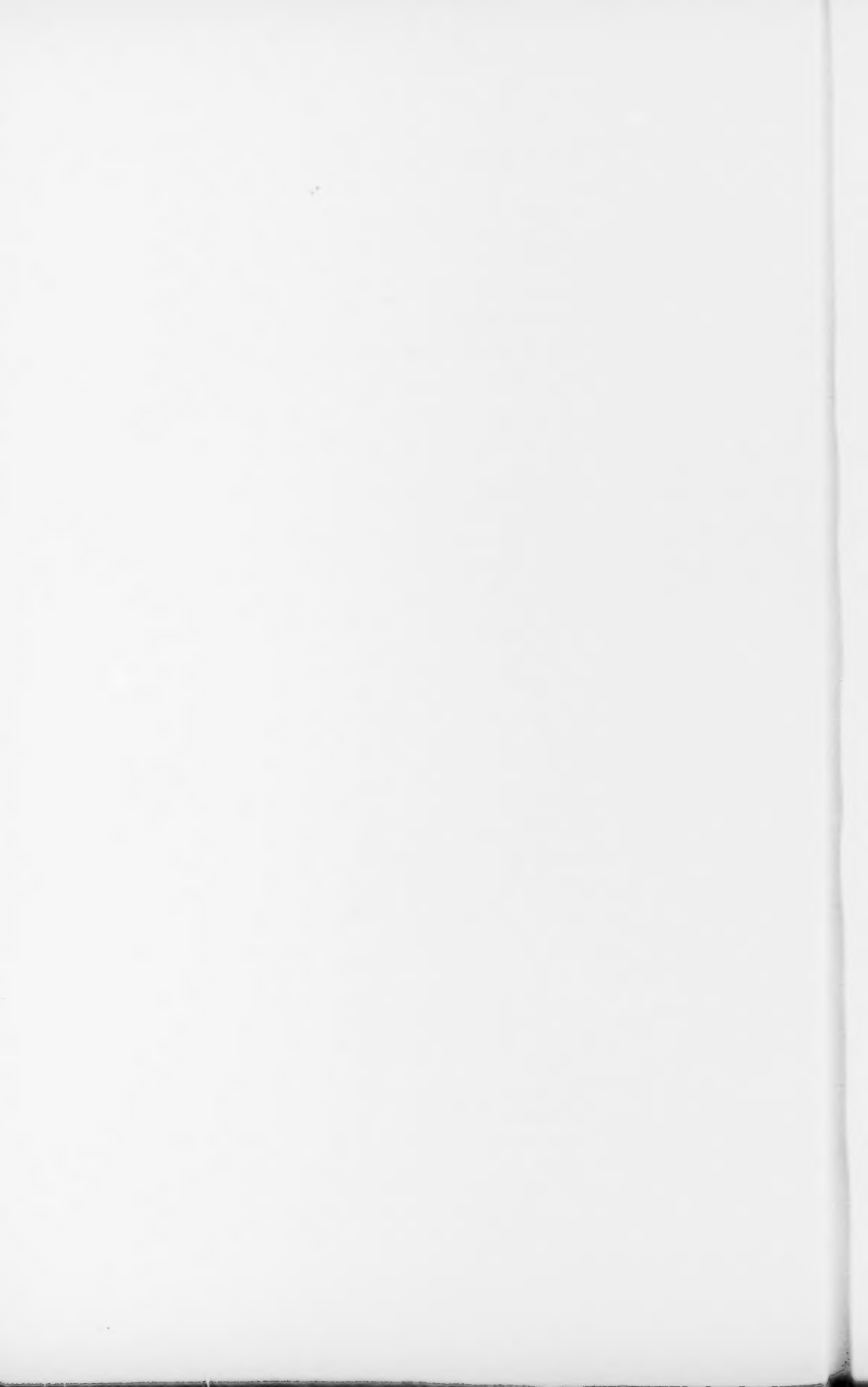


TABLE OF CONTENTS

	<u>Page</u>
Questions Presented For Review	i
Table Of Contents	iii
Opinions Below	1
Jurisdiction	1
Constitutional Provisions Involved	2
Statement Of The Case	2
Reasons Relied On For Allowance Of The Writ	5
Conclusion	7
Appendix	
Court Of Appeals Decision Affirming District Court	A- 1
Court Of Appeals Decision Denying Rehearing	A-30
Court Of Appeals Decision Denying Rehearing <i>In Banc</i>	A-31
Court of Appeals Judgment Order	A-32
District Court Final Judgment	A-33
The Jury Special Verdict	A-38



IN THE
Supreme Court of the United States

October Term 1988

No. _____

ALLEN ORGAN COMPANY,

Petitioner,

- v. -

KIMBALL INTERNATIONAL, INC.,

MACMILLAN, INC.,

CONN KEYBOARDS, INC.,

Respondents.

**PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

OPINIONS BELOW

The opinion of the Court of Appeals is reported at 839 F.2d 1556 (Fed. Cir. 1988). The orders denying rehearing and the order denying rehearing *in banc* have not been officially reported. The final judgment of the District Court is not officially reported. All opinions, orders and judgments are reprinted in the Appendix to this Petition.

JURISDICTION

The opinion and decision of the Court of Appeals for the Federal Circuit sought to be reviewed was entered on February 12, 1988. In response to timely filed Petitions, the Court of Appeals denied rehearing on April 4, 1988 and rehearing *in banc* on April 19, 1988 (Judge Nies voting in the affirmative). This Petition for Writ of Certiorari is filed within 90 days of April 4, 1988. This Court's jurisdiction is invoked pursuant to 28 U.S.C. § 1254(1) and 28 U.S.C. § 2101(c).

CONSTITUTIONAL PROVISIONS INVOLVED

The Seventh Amendment to the Constitution provides:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

STATEMENT OF THE CASE

Jurisdiction arises in the District Court under 28 U.S.C. § 1338.

This is a patent case in which both parties below conceded that there were inconsistencies in the jury findings. Each party provided the Federal Circuit with a separate and independent method by which the inconsistency could be reconciled in its favor. The Federal Circuit selected the method of reconciliation put forth by respondents Kimball International, Inc., Conn Keyboards, Inc., and MacMillan, Inc. (hereinafter referred to collectively as "Kimball"), the prevailing party below, but ignored the reconciliation method proposed by petitioner Allen Organ Company ("Allen"). Moreover, in adopting Kimball's proposed method of reconciliation, the Federal Circuit assumed that the jury failed to comprehend fully properly presented and unchallenged instructions of the trial judge.

The case below involves Allen's accusation that Kimball and others infringed its highly successful patents on electronic organs. These patents have been licensed world-wide and cover most keyboard electronic instruments made and sold today.

Kimball asserted patent invalidity on varying grounds including "anticipation" under 35 U.S.C. § 102, i.e. that the invention was not new, and "obviousness" under 35 U.S.C. § 103. The jury's answers to special interrogatories, after a separate trial on patent validity, found elements of anticipation of certain of the patent claims but that the same patent claims were "not obvious". These answers are, as both parties and the Federal Circuit agreed, inherently inconsistent. A patented invention cannot be anticipated, i.e. not new, and at the same time not obvious. "An-

icipation is the epitome of obviousness." *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983).

In particular, the jury findings regarding anticipation were that certain patent claims were not new as a result of certain one-of-a-kind non-commercial organs whose mechanisms were not available to the public. At the same time, the jury found that the inventions of those same patent claims were not obvious. The jury was not asked to rule on and therefore did not decide the ultimate issue of patent validity. There simply was *no* general verdict from the jury.

The district judge purported to reconcile the inconsistencies and issued a final judgment holding the patent claims invalid.

Allen filed a timely motion for JNOV, a new trial, or an amended judgment which was denied without opinion or comment.

On appeal to the Federal Circuit, Allen argued that the inconsistent jury verdict could be reconciled by reliance on 35 U.S.C. § 102(g)* and the supporting case law. That law holds that a prior device does not invalidate where, although otherwise anticipatory, it has been "abandoned, suppressed or concealed." In charging on obviousness, the district court discussed the impact of "concealed" prior art. In settling the form of the special verdict on the issue of anticipation by the prior devices, the district court submitted an interrogatory on the issue of abandonment, but not on the issue of suppression or concealment.

At trial, Allen had adduced evidence of concealment. The jury made no finding on the issue of concealment. Given the apparent inconsistency between the findings of "anticipated" but "not obvious", Allen argued that the jury answers could be reconciled on the basis of the "concealment" point. The findings were fully consistent with the view that the jury had necessarily found the prior devices, although highly analogous, to have been "concealed". In other words, because those prior devices were con-

* 35 U.S.C. § 102(g): "A person shall be entitled to a patent unless . . . before the applicant's invention thereof was made in this country by another who had not abandoned, suppressed or concealed it."

cealed, the exculpatory language of 35 U.S.C. § 102(g) precluded their being treated as having an invalidating obviousness effect on the patent and further precluded considering those devices on the issue of obviousness. See, *E.I. DuPont de Nemours & Co. v. Phillips Petroleum Co.*, Nos. 87-1259, 87-1284, slip op. at 16 (Fed. Cir. June 15, 1988). Under that view, although the inventions were technically embodied in the prior devices, those prior devices were concealed and therefore not legally sufficient to invalidate the patent. Reconciliation of the inconsistency in that fashion would necessarily have led to a judgment of patent validity rather than invalidity.

The Kimball view, ultimately adopted by the Federal Circuit, was that the jury misunderstood the district court's charge. The district court had charged the jury that the prior art for determining obviousness under 35 U.S.C. § 103 included not only prior patents but also the non-patented prior art. There is no dispute over the fact that the portion of the charge correctly stated the applicable law. Nevertheless, Kimball argued, the jury was confused and must have believed that the non-patented prior art, i.e. the earlier one-of-a-kind devices, ought not to be considered on the issue of obviousness of the invention. In other words, the Court was asked to assume that the jury had considered, contrary to the charge, that the prior art for purposes of "anticipation" under 35 U.S.C. § 102 to be different from the prior art considered for obviousness under 35 U.S.C. § 103. On this basis, the jury finding of non-obviousness could be reconciled with the finding of anticipation.

Kimball's proposed reconciliation was ultimately adopted by the Federal Circuit.

In selectively adopting the reconciliation favorable to Kimball, the Federal Circuit opinion expressly noted its belief in a right to do so "even though other equally persuasive possibilities might be shown to exist". 839 F.2d at 1564; App. p. A-17.

REASONS RELIED ON FOR ALLOWANCE OF THE WRIT

Petitioner has no quarrel with the law which holds that, to the extent possible, courts have a duty to reconcile seemingly inconsistent jury findings. However, that duty presupposes that there is only one plausible way in which reconciliation can be made.

This Court's precedent has established that where there is one view that can reconcile the inconsistency, the court must resolve the matter that way. *Atlantic & Gulf Stevedores, Inc. v. Ellerman Lines, Ltd.*, 369 U.S. 355, 364 (1962):

Where there is a view of the case that makes the jury's answers to special interrogatories consistent, they must be resolved that way.

But so far as can be ascertained, this Court has not yet addressed the Constitutional issue that necessarily arises when there are two different views that can be used to resolve the inconsistency, each leading to a different result.

Where there are two equally plausible methods for reconciling the inconsistency, then the Seventh Amendment necessarily requires a remand for a new trial. Given two different methods for reconciliation which necessarily lead to two different end results, selection of one of those methods amounts to a judicial reexamination of the facts tried by the jury in derogation of one of the parties' Seventh Amendment right.

The law is established that entry of a judgment based on an inconsistent verdict that cannot be reconciled effectively denies the Constitutional right to a jury trial. As this court stated in *Atlantic & Gulf Stevedores*, 369 U.S. at 358-59, a case involving an inconsistent jury verdict:

We might agree with the Court of Appeals had the questions of fact been left to us. But neither we nor the Court of Appeals can redetermine facts found by the jury any more than the District Court can predetermine them. For the Seventh Amendment says that 'no fact tried by a jury, shall be otherwise reexamined in any court of the United States, than according to the rules of common law.'

Where an inconsistent jury verdict cannot be properly resolved without an invasion of the exclusive fact finding power of

cealed, the exculpatory language of 35 U.S.C. § 102(g) precluded their being treated as having an invalidating obviousness effect on the patent and further precluded considering those devices on the issue of obviousness. *See, E.I. DuPont de Nemours & Co. v. Phillips Petroleum Co.*, Nos. 87-1259, 87-1284, slip op. at 16 (Fed. Cir. June 15, 1988). Under that view, although the inventions were technically embodied in the prior devices, those prior devices were concealed and therefore not legally sufficient to invalidate the patent. Reconciliation of the inconsistency in that fashion would necessarily have led to a judgment of patent validity rather than invalidity.

The Kimball view, ultimately adopted by the Federal Circuit, was that the jury misunderstood the district court's charge. The district court had charged the jury that the prior art for determining obviousness under 35 U.S.C. § 103 included not only prior patents but also the non-patented prior art. There is no dispute over the fact that the portion of the charge correctly stated the applicable law. Nevertheless, Kimball argued, the jury was confused and must have believed that the non-patented prior art, i.e. the earlier one-of-a-kind devices, ought not to be considered on the issue of obviousness of the invention. In other words, the Court was asked to assume that the jury had considered, contrary to the charge, that the prior art for purposes of "anticipation" under 35 U.S.C. § 102 to be different from the prior art considered for obviousness under 35 U.S.C. § 103. On this basis, the jury finding of non-obviousness could be reconciled with the finding of anticipation.

Kimball's proposed reconciliation was ultimately adopted by the Federal Circuit.

In selectively adopting the reconciliation favorable to Kimball, the Federal Circuit opinion expressly noted its belief in a right to do so "even though other equally persuasive possibilities might be shown to exist". 839 F.2d at 1564; App. p. A-17.

REASONS RELIED ON FOR ALLOWANCE OF THE WRIT

Petitioner has no quarrel with the law which holds that, to the extent possible, courts have a duty to reconcile seemingly inconsistent jury findings. However, that duty presupposes that there is only one plausible way in which reconciliation can be made.

This Court's precedent has established that where there is one view that can reconcile the inconsistency, the court must resolve the matter that way. *Atlantic & Gulf Stevedores, Inc. v. Ellerman Lines, Ltd.*, 369 U.S. 355, 364 (1962):

Where there is a view of the case that makes the jury's answers to special interrogatories consistent, they must be resolved that way.

But so far as can be ascertained, this Court has not yet addressed the Constitutional issue that necessarily arises when there are two different views that can be used to resolve the inconsistency, each leading to a different result.

Where there are two equally plausible methods for reconciling the inconsistency, then the Seventh Amendment necessarily requires a remand for a new trial. Given two different methods for reconciliation which necessarily lead to two different end results, selection of one of those methods amounts to a judicial reexamination of the facts tried by the jury in derogation of one of the parties' Seventh Amendment right.

The law is established that entry of a judgment based on an inconsistent verdict that cannot be reconciled effectively denies the Constitutional right to a jury trial. As this court stated in *Atlantic & Gulf Stevedores*, 369 U.S. at 358-59, a case involving an inconsistent jury verdict:

We might agree with the Court of Appeals had the questions of fact been left to us. But neither we nor the Court of Appeals can redetermine facts found by the jury any more than the District Court can predetermine them. For the Seventh Amendment says that 'no fact tried by a jury, shall be otherwise reexamined in any court of the United States, than according to the rules of common law.'

Where an inconsistent jury verdict cannot be properly resolved without an invasion of the exclusive fact finding power of

the jury, the case must be remanded for a new trial. *Royal Netherlands Steamship Shipping Co. v. Strachan Shipping Co.*, 362 F.2d 691, 694 (5th Cir. 1966), *cert. denied*, 385 U.S. 1004 (1967); *Griffin v. Matherne*, 471 F.2d 911, 915 (5th Cir. 1973); *See also Burger King Corp. v. Mason*, 710 F.2d 1480, 1489 (11th Cir. 1983), *cert. denied*, 465 U.S. 1102 (1984).

An irreconcilable difference in jury findings is no less a Constitutional impediment than a difference that can be reconciled in several ways. Both problems require a court to redetermine facts or to pick and choose pieces of a jury verdict rather than accept the jury findings as a whole. And once a court embarks on that route, it is treading on Constitutionally prohibited territory by effectively depriving at least one of the parties of its right to a trial by jury.

The Federal Circuit's view* that it had the right to decide the issue in the guise of that being a "logical and probable" result (839 F.2d at 1564; App. p. A-17) highlights its improper fact finding in derogation of Allen's Seventh Amendment rights. What was "logical and probable" to the three judges of that panel may or may not have been logical and probable to the members of the jury. Under the Seventh Amendment, the parties are entitled to the jury's view on that issue, not three judges' views.

A very valuable patent and a very substantial business have been destroyed by this invasion of petitioner's right to a trial by jury. Because this is a case of first impression, this Court should rule on the issue, thereby safeguarding the right to trial by jury.

* In its decision at 839 F.2d 1563; App. p. A-15, the panel also stated that the issue of inconsistent jury findings or verdicts is not unique to patent law and that such "procedural matters" would be decided "according to the discernible law of the forum." Inconsistent verdicts, however, are a Constitutional issue arising under the Seventh Amendment to the Constitution of the United States. *Atlantic & Gulf Stevedores, Inc. v. Ellerman Lines Ltd.*, 369 U.S. 348, 359 (1962). Constitutional rights cannot vary from forum to forum.

CONCLUSION

For the reasons set forth herein, Petitioner believes that a resolution of the questions presented for review is required and therefore prays that a Writ of Certiorari issue to review the opinion and judgment of the United States Court of Appeals for the Federal Circuit entered on February 12, 1988.

Respectfully submitted,

DAVID H. PFEFFER, *Counsel of Record*

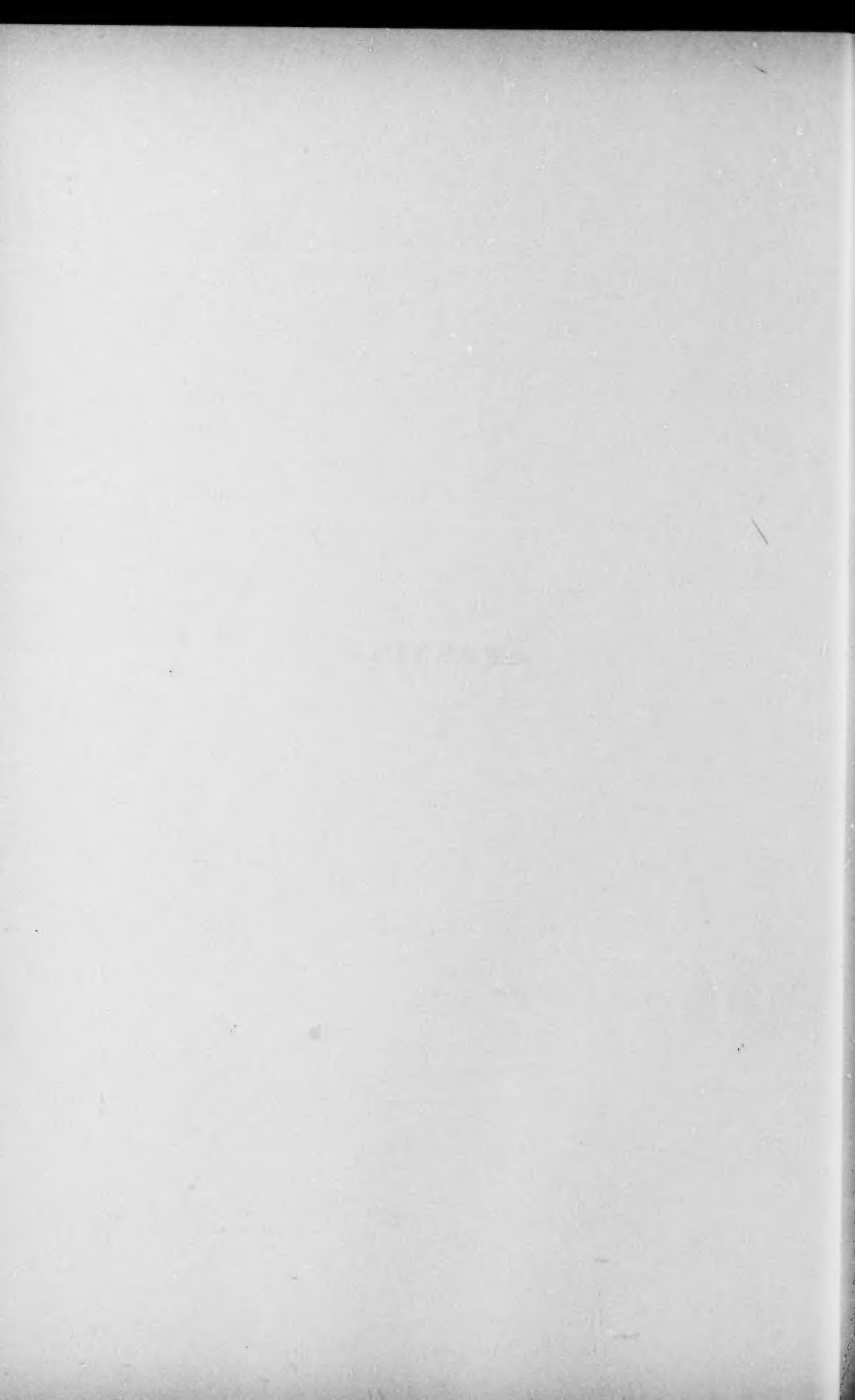
ALFRED P. EWERT
J. ROBERT DAILEY
KARL M. ZIELAZNICKI
MORGAN & FINNEGAN
Counsel for Petitioner
345 Park Avenue
New York, New York 10154
(212) 758-4800

Of Counsel:

SANFORD J. PILTCH
2895 Hamilton Boulevard
Allentown, Pennsylvania 18104



APPENDIX



**ALLEN ORGAN COMPANY, Appellant,
Cross-Appellee,**

v.

**KIMBALL INTERNATIONAL, INC.,
Macmillan, Inc. and Conn
Keyboards, Inc., Appellees,
Cross-Appellants.**

Nos. 86-767, 86-789.

**United States Court of Appeals,
Federal Circuit.**

Feb. 12, 1988.

**Before MARKEY, Chief Judge, BENNETT, Senior Cir-
cuit Judge, and NEWMAN, Circuit Judge.**

PAULINE NEWMAN, Circuit Judge.

Allen Organ Company appeals the judgment of the United States District Court for the Northern District of Illinois,¹ holding after a jury trial that the claims at issue of Watson U.S. Patent No. 3,610,799 (the '799 patent) and Deutsch U.S. Patent No. 3,610,806 (the '806 patent), owned by Allen Organ, are invalid. The issue of infringement was not tried. Kimball International, Inc., Macmillan, Inc., and Conn Keyboards, Inc. (collectively Kimball), defendants in the consolidated trial, cross-appeal the judgment that Allen Organ had not committed inequitable conduct in prosecuting the '799 patent before the United States Patent and Trademark Office. We affirm.

1. *Allen Organ Co. v. Macmillan, Inc.*, No. 78 C 541, *Allen Organ Co. v. Conn Keyboards, Inc.*, No. 80 C 4599, and *Kimball International, Inc. v. Allen Organ Co.*, No. 83 C 4039, consolidated for trial and decided Nov. 15, 1985.

The Patented Inventions

The '799 and '806 patents deal with organs that electronically reproduce the notes and voices of a pipe organ.

The Watson '799 patent, entitled "Multiplexing System For Selection Of Notes And Voices In An Electronic Musical Instrument", describes a keyboard instrument having tone generators that are multiplexed with note and voice assignment information. Depression of a key elicits a tone that is controlled as to its waveshape and amplification by a tone generator. To resolve the complex problems of the number of tone generators and the circuitry necessary for the twelve musically related frequencies for each octave, according to the Watson '799 patent every key of the organ keyboard is scanned in cyclic sequence, and the actuation of a key or keys is entered as information in parallel digital format showing the order and combination of keys actuated. The parallel format is continuously converted to serial format, comprising pulses in appropriate time slots, preassigned to corresponding keys, of a time division multiplexed signal.

The Deutsch '806 patent, entitled "Adaptive Sustain System For Digital Electronic Organ", relates to a sustain feature for electronic organs such as that described by Watson. The '806 patent describes and claims a means whereby selected sounds fade gradually, rather than abruptly, after the organ key is released, thus mimicking the sound of a true pipe organ. The principal object of the Deutsch patent is to

provide means for varying the length of decay of a note sounded in an electronic digital organ . . . in accordance with the number of tone generators

available for capture by digital data in the multiplexed signal containing the note information.

The claimed inventions of both the '799 and '806 patents were asserted to be embodied in the defendants' electronic organs.

The '799 Patent

By agreement the issues of patent validity and enforceability were tried first, bifurcated from the issue of infringement. The jury trial on validity and enforceability took four weeks.

(a) The Jury Verdicts

The parties agreed upon the jury instructions and interrogatories before they were submitted to the jury, with certain objections, as will be discussed. The jury answered twenty-one pages of interrogatories, consisting of thirteen questions almost all of which had multiple parts.

Kimball's defense included the presentation of evidence relating to two electronic organs built by electronics buffs Coe Wescott and Lee Bauscher, and one custom keyboard coupler incorporated in an electronic organ called the Klann/Conn organ. Interrogatories 1-3, grouped under the heading "Prior Invention", were directed to these organs. Responding to these questions, the jury found that these three multiplexed organs were built prior to the date of invention of the Watson '799 patent, and that none had been abandoned.

The jury also found that the subject matter of eight of the twenty-four asserted claims of the '799 patent was found in the Bauscher organ, the subject matter of thirteen of the twenty-four claims was found in the Wescott organ,

and the subject matter of eighteen of the twenty-four claims was found in the Klann/Conn organ.

The subject matter of five of the '799 claims, i.e., claims 4, 22, 23, 32, and 33, was not found in any of the Bauscher, the Wescott, or the Klann/Conn organs. These five claims included limitations related to percussive sounds, and were referred to at trial as the "percussive claims".

The jury also found that the Wescott, Bauscher and Klann/Conn organs were publicly known or used prior to the date of invention of the '799 patent. In response to questions under the heading "Public Use and On Sale" the jury found that the Wescott, the Bauscher, and the Klann/Conn organs were in public use, and the Wescott organ was on sale, before the '799 patent's critical bar date of October 30, 1968.

Answering interrogatories 5(a), (b), (c), and (d), under the heading "Public Use and On Sale", the jury found that "the subject matter of the claims of the Watson '799 patent was present" in an organ built at North American Rockwell Corporation, where Watson and Deutsch were employed. This organ was called the "demonstrator" at trial. The jury found that the demonstrator was in public use and on sale before the '799 patent's critical bar date of October 30, 1968. This four-part interrogatory did not inquire as to specific claims, a matter emphasized as error by Allen Organ.

Under the heading "Anticipation" were interrogatories 10 and 11 on both anticipation and obviousness. In response to part of interrogatory 10 the jury found that of the three '799 patent claims numbered 12, 19, and 20, the "entire subject matter" of claim 19 was found in Pearson U.S. Patent No. 2,989,885 and in Davis U.S. Patent No.

2,601,265. Interrogatory 10 also included questions about Klann U.S. Patent No. 3,614,287, which the jury found disclosed the subject matter of certain claims of the '799 patent but was filed too late to serve as a reference.

Interrogatory 11(a) asked whether the subject matter of twenty-four listed claims of the '799 patent "would have been obvious to a person having ordinary skill in the art pertaining to the subject matter of the Watson '799 patent at the time the invention was made". The jury answered "Yes" as to claims 1 and 19, and "No" as to the other twenty-two claims.

(b) The District Court's Judgment

Upon receiving the jury's answers, the court asked counsel for both sides together to "determine what it means as to the further progress of the case". After "digesting" the answers, counsel for Kimball told the court, in the absence of the jury:

Your Honor, if you look at 5-A through 5-D, that shows the demonstrator on sale and all the claims of the patent that were present in the demonstrator. That is a conclusive finding for the '799 patent.

Counsel for Allen Organ responded:

If that is interpreted to mean all of the claims including — the jury consistently found that the percussive claims [claims 4, 22, 23, 32 and 33] were not invalid. This [5-A through 5-D] is the only interrogatory which did not cover the claims individually.

The court asked "How many other claims of the '799 are out on the basis of other findings?". Counsel for both sides

agreed that all the other '799 claims were "out" based on other findings, but that the five percussive claims were not based only on the answers to interrogatories 5(a) through 5(d), which did not ask the jury for claim-by-claim answers but referred to "the subject matter of the ['799] claims".

The court then proposed to try the infringement issue, which the parties estimated would require three or four days. The court stated that

the purpose of bifurcation of the Allen v. Kimball case was in part to avoid an unnecessary infringement trial in the event the jury should find the patents invalid.

* * * * *

[W]hat prompts this whole inquiry on my part is that the jury has found the patents to be invalid on very narrow grounds which could be upset by the Court of Appeals

When the jury returned to the courtroom, the court said "[t]he effect of your findings combined is to render both patents invalid, as I am sure you understand." The record does not show a reaction by either counsel to that statement at that time. The jury was not dismissed, pending the infringement trial.

Two days thereafter Allen Organ filed a "motion for interpretation" by the court of the jury's answers, explained as "for the purpose of determining the claims to be put forward for proving infringement". Allen Organ pointed to certain asserted inconsistencies in the jury's answers, on the basis of which Allen Organ argued that in addition to the five percussive claims, the other claims should be included in the infringement trial. The trial court then estimated that

the infringement trial would require two weeks. The court denied the motion for interpretation, and stated that infringement would not be tried and that the jury would be discharged.

Allen Organ did not, in its motion for interpretation or at argument thereon, ask the court for recourse to the jury as to any purported inconsistency. None of those purported inconsistencies is now pressed.

Instead, as its principal argument on appeal, Allen Organ asserts that the answers to interrogatory 11(a) are inconsistent with the answers to interrogatories 1-9. This issue was first raised before the district court in Allen Organ's objection to the proposed final judgment. Neither party has complained about lack of opportunity to raise the issue before the jury's discharge, or any other factor that might excuse its failure to do so.

The court entered judgment that all the claims at issue of the '799 (and '806, discussed *infra*) patents were invalid, referring specifically to the jury's answers to the various interrogatories and entering the holdings that followed from such answers.

The district court denied Allen Organ's subsequent motions for judgment notwithstanding the verdict (n.o.v), a new trial, or an amended judgment, in which motions Allen Organ asserted that the subject matter of certain claims of the '799 patent had been found by the jury to be, inconsistently, both embodied in prior devices and unobvious.

The court also denied Kimball's motion for judgment n.o.v., which motion challenged the jury's answers concluding unobviousness and absence of inequitable conduct with respect to the '799 patent. Kimball's cross-appeal is solely on the issue of inequitable conduct.

(c) Arguments

Allen Organ asserts that the jury instructions and interrogatories on the issues of prior invention, public use, and on sale, are incorrect, and also that the jury's answers on these issues are not supported by substantial evidence or are against the weight of the evidence.

Allen Organ states that interrogatories 5(a) through 5(d), directed to the Rockwell demonstrator, should have asked the jury specifically about the five percussive claims, instead of referring broadly to "the subject matter of the claims".²

Allen Organ told the district court in the motion for interpretation that the jury's findings were contrary to the evidence "because no claim list was presented in connection with these interrogatories", and concluded that "the Jury [was] confused because of the structuring of the interrogatory."

Allen Organ renews on appeal its argument that there was not substantial evidence that the percussive elements of claims 4, 22, 23, 32, and 33 were contained in the demonstrator, and that substantial evidence did not support the jury's findings that the demonstrator was in public use and on sale.

2. Interrogatories 5(a) and 5(b) are illustrative; the jury's answers are shown:

5(a). Do you find that the Rockwell demonstrator was in public use before the critical date of October 30, 1968?

Yes X

No

5(b). If your answer to 5(a) is "Yes," do you find that the subject matter of the claims of the Watson '799 patent was present in the Rockwell demonstrator at the time of the public use?

Yes X

No

Allen Organ argues that the jury's findings with respect to embodiment of the claimed invention in the prior devices, and with respect to unobviousness, are fatally inconsistent. Allen Organ also argues that the jury instruction on the issue of obviousness makes it impossible to reconcile the jury's answers.

Both parties agree before us that the jury's answers finding "the subject matter of the claims" in public use or on sale in the demonstrator, and some claims the subject of prior invention, yet also finding the subject matter of twenty-two claims unobvious in light of the instructions on unobviousness, are inconsistent. Both parties thus challenge the integrity of the procedures, and the supportability of the results, in this lengthy jury trial.

(d) The Instructions and Interrogatories

Those issues turning on the assertedly incorrect or confusing jury instructions are governed by Rule 51 of the Federal Rules of Civil Procedure:

Rule 51. Instructions to Jury: Objection

At the close of the evidence or at such earlier time during the trial as the court reasonably directs, any party may file written requests that the court instruct the jury on the law as set forth in the requests. The court shall inform counsel of its proposed action upon the requests prior to their arguments to the jury. The court, at its election, may instruct the jury before or after argument, or both. No party may assign as error the giving or the failure to give an instruction unless that party objects thereto before the jury retires to consider its verdict, stating distinctly the matter objected to and the grounds of the objection.

Opportunity shall be given to make the objection out of the hearing of the jury.

The record shows no objection by Allen Organ to the instructions or the interrogatories on the basis of potential confusion of the jury in resolving these questions. There is an affirmative obligation to timely raise such objections. Fed.R.Civ.P. 51; *United States v. Atkinson*, 297 U.S. 157, 159, 56 S.Ct. 391, 392, 80 L.Ed. 555 (1936); *Thor Power Tool Co. v. Weintraub*, 791 F.2d 579, 584 (7th Cir.1986); *Davis v. Consolidated Rail Corp.*, 788 F.2d 1260, 1267-68 (7th Cir.1986); *Exxon Corp. v. Exxene Corp.*, 696 F.2d 544, 549, 217 USPQ 215, 218 (7th Cir.1982); *Trans-World Mfg. Corp. v. Al Nyman & Sons, Inc.*, 750 F.2d 1552, 1561, 224 USPQ 259, 264 (Fed.Cir.1984).

Counsel for both Allen Organ and Kimball participated in the drafting of the jury instructions and interrogatories. Although counsel had argued about certain instructions and interrogatories, the record does not show objection, on any ground now urged, to the texts submitted to the jury.

The objection that interrogatories 5(a) through 5(d) did not distinguish the five percussive claims from the other claims, and thus confused the jury, was not raised before the interrogatories were submitted to the jury. Similarly, Allen Organ now complains that "[d]espite the jury instruction that the experimental use exception applied only if Kimball first proved 'on sale' activity or a 'public use,' there were no jury questions concerning experimental use" with respect to the demonstrator. Allen Organ does not dispute that it did not object to the absence of such jury questions.

At argument on Allen Organ's motion for interpretation the court told counsel

if you look at what you submitted and compare it to what we submitted to the jury, I do not think you will find any essential difference, and to the extent that the record does not show that you objected to any aspect of the special verdict that you now find trouble with, you have waived any such problem.

Counsel for Allen Organ responded:

Obviously, yes, we realize it, whatever objections were made, et cetera.

We conclude that the district court was correct in holding that Allen Organ had waived its post-verdict challenges to the jury instructions and to the questions that were presented to the jury.

(e) The Verdict Form

District courts have broad discretion in the conduct of jury trials, including the form of the jury verdict. *See Weinart v. Rollform Inc.*, 744 F.2d 797, 809-10, 223 USPQ 369, 376 (Fed.Cir.1984), *cert. denied*, 470 U.S. 1084, 105 S.Ct. 1844, 85 L.Ed.2d 143 (1985); 9 C. Wright & A. Miller, *Federal Practice and Procedure* § 2501 (1971).

Rule 49 authorizes the use of two procedures as alternatives to simple general verdicts.³ Rule 49(a), entitled "Special Verdicts", states:

The court may require a jury to return only a special verdict in the form of a special written finding

3. These procedures originated in England during the twelfth century as a method of avoiding attainr, a procedure whereby a verdict was undone and the jurors severely punished. *See Morgan, A Brief History of Special Verdicts and Special Interrogatories*, 32 Yale L.J. 575, 576 (1923).

upon each issue of fact The court shall give to the jury such explanation and instruction concerning the matter thus submitted as may be necessary to enable the jury to make its findings upon each issue. If in so doing the court omits any issue of fact raised by the pleadings or by the evidence, each party waives his right to a trial by jury of the issue so omitted unless before the jury retires he demands its submission to the jury. As to an issue omitted without such demand the court may make a finding or, if it fails to do so, it shall be deemed to have made a finding in accord with the judgment on the special verdict.

Under Rule 49(a) the jury makes written findings on each factual issue, and the court applies the law to the jury's findings. *See Wright, The Use of Special Verdicts in Federal Court*, 38 F.R.D. 199, 199 (1965).

Rule 49(b), entitled "General Verdict Accompanied by Answer to Interrogatories", authorizes the submission

to the jury, together with appropriate forms for a general verdict, written interrogatories upon one or more issues of fact the decision of which is necessary to a verdict. The court shall give such explanation or instruction as may be necessary to enable the jury both to make answers to the interrogatories and to render a general verdict, and the court shall direct the jury both to make written answers and to render a general verdict.

Rule 49(b) has been described as a middle course between the simple general verdict and the special verdict procedure of Rule 49(a), in that it focuses the jury's attention on the controlling points at issue, and the interrogatory

answers provide a check on the propriety of the general verdict. See Lipscomb, *Special Verdicts Under the Federal Rules*, 25 Wash.U.L.Q. 185, 212 (1940). See generally Comment, *Special Verdicts: Rule 49 of the Federal Rules of Civil Procedure*, 74 Yale L.J. 483 (1965).

The expressed intention of the parties was to achieve a verdict under Rule 49(b), and the parties so described the structure of their proposed jury inquiries. During an exchange in chambers, counsel for Allen Organ explained the form of jury verdict that he and opposing counsel jointly proposed:

[W]e consider this to be a general verdict in sub-parts consistent with what occurred in [*Railroad Dynamics, Inc. v. A. Stucki Co.*, 727 F.2d 1506, 220 USPQ 929 (Fed.Cir.), *cert. denied*, 469 U.S. 871 [105 S.Ct. 220, 83 L.Ed.2d 150] (1984)] where a set of questions called interrogatories, although they are not true interrogatories in the classic sense of Rule 49, are submitted to the jury. What we are submitting here are questions to the jury which taken together constitute the general verdict.

On the court's inquiry, Allen Organ's counsel added:

The point is that we don't regard these as special verdicts. We regard these as a general verdict broken down into sub-parts under 49(b) rather than special verdicts under 49(a).

The court expressed skepticism as to this procedural theory, and the trial proceeded upon the court's statement that:

It does not make any sense to ask these jurors to answer these specific questions which will have

implications they do not understand and then at the same time ask them to return a general verdict which could be inconsistent with their finding on one or more of the specific questions.

So the general verdict that they will return will really be the result of their answers to these specific questions. I mean, it may be that when everything is all added up at the end, the patent will be valid or it may be invalid.

Counsel agreed, stating "the manner in which the issue is presented to the jury is within the discretion of the Court." After the jury returned, during discussion with counsel on the form of the judgment order, the court stated:

I think that the judgment order should recite a judgment based upon the specific findings of the jury.

Kimball and Allen Organ now disagree on the meaning and consequences of the procedures that were followed. Kimball states that since the verdict is controlled by Rule 49(b), a new trial is required:

When the answers are inconsistent with each other and one or more is likewise inconsistent with the general verdict, judgment shall not be entered, but the court shall return the jury for further consideration of its answers and verdict or shall order a new trial.

Fed.R.Civ.P. 49(b). Kimball also invokes the general rule that has been established in 49(b) cases that a party will be deemed to have waived objection to possible inconsistencies between interrogatory answers if it failed to raise such

objection before the jury was discharged. See 5A Moore's Federal Practice ¶ 49.04 (2d ed. 1987).

Allen Organ states that the procedure followed was actually that of Rule 49(a), and that Rule 49(a) requires that a new trial be held when a jury has provided inconsistent answers.

Both parties have also contemplated and argued reconciliation of the jury answers, each side arguing that unless such reconciliation is in its favor, a new trial is required.

(f) *Reconciliation*

The issue of inconsistent jury findings or verdicts is not unique to patent law. In such procedural matters we apply the discernible law of the forum, in this case the Seventh Circuit. See *Panduit Corp. v. All States Plastic Manufacturing Co.*, 744 F.2d 1564, 1575, 223 USPQ 465, 472 (Fed.Cir.1984).

The Seventh Circuit has spoken clearly with respect to Rule 49(b). In *Strauss v. Stratojac Corp.*, 810 F.2d 679, 683 (7th Cir. 1987), the Seventh Circuit reaffirmed the principle that there is an obligation upon counsel to seek return of the jury when the interrogatory answers are inconsistent with each other, and the general verdict is consistent with less than all of the interrogatory answers. Kimball argues that Allen Organ, whose counsel had examined the replies to the interrogatories before the jury was discharged, waived any right subsequently to raise an objection to the general verdict, which both parties intended as a jury verdict in sub-parts as occurred in *Railroad Dynamics*. On this basis, the reasoning of the *Strauss* court applies:

If counsel who had submitted the questions saw no inconsistency and raised no objection to the dis-

charge of the jury, we can, at least under the circumstances of this case, see no reason why he should be permitted to try his luck with a second jury. Proper respect for the jury verdict and for the court's responsibility to manage its caseload fairly and expeditiously militate against such a course.

Strauss, 810 F.2d at 683.

Allen Organ, now characterizing the trial as proceeding under Rule 49(a), argues that under Rule 49(a) its post-trial action or inaction did not extinguish its right to a new trial. In *Bates v. Jean*, 745 F.2d 1146, 1149-50 (7th Cir. 1984), the Seventh Circuit remarked that it had not yet decided the question of whether waiver applies generally under Rule 49(a), other than in the specific circumstance of the pro se plaintiff there aggrieved.

However, the Seventh Circuit requires that when it is possible to reconcile the jury's answers, such reconciliation is always preferred to the grant of a new trial. The Seventh Circuit in *Strauss*, 810 F.2d at 683, referred to *Schaafsma v. Morin Vermont Corp.*, 802 F.2d 629, 634-35 (2d Cir.1986), and the remark therein that appellate courts must "struggle" to find a way to reconcile seemingly inconsistent interrogatory answers and verdicts "[i]n fairness to trial courts and in order to preserve parties' Seventh Amendment rights".

Because we conclude that the jury's answers are reconcilable, we do not decide whether Allen Organ's objection thereto was untimely and waived. Nor need we assess the consequences of the parties' and the court's viewpoints as to the procedural framework here constructed.

The Supreme Court has stated, concerning Rule 49(a) interrogatories, that "we . . . must attempt to reconcile the

jury's findings, by exegesis if necessary . . . before we are free to disregard the jury's special verdict and remand the case for a new trial." *Gallick v. Baltimore & Ohio Railroad Co.*, 372 U.S. 108, 119, 83 S.Ct. 659, 666, 9 L.Ed.2d 618 (1963). The Court quoted *Atlantic & Gulf Stevedores, Inc. v. Ellerman Lines, Ltd.*, 369 U.S. 355, 364, 82 S.Ct. 780, 786, 7 L.Ed.2d 798 (1962): "Where there is a view of the case that makes the jury's answers to special interrogatories consistent, they must be resolved that way."

In *Willard v. The John Hayward*, 577 F.2d 1009, 1011 (5th Cir.1978), the court held that the special interrogatories were structured so that the jury was required to answer each question without regard to its effect on the answers to other questions. Thus the answers to the interrogatories, on their face inconsistent, were held reconcilable on the record before the trial court. Similarly in *Miller v. Royal Netherlands Steamship Co.*, 508 F.2d 1103, 1106-07 (5th Cir. 1975), the court reconciled apparently conflicting jury verdicts on the issues of unseaworthiness and negligence by "making the plausible assumption" that the jury considered only the acts pertinent to each question without considering the effect of one issue upon the other. The *Miller* court held that since a "logical and probable" rationalization of the jury's answers existed, the verdicts must be accepted even though other equally persuasive possibilities might be shown to exist. *Id.* at 1107-08. See *Griffin v. Matherne*, 471 F.2d 911, 915 (5th Cir. 1973) (a useful test is whether the apparently inconsistent answers may "be said to represent a logical and probable decision on the relevant issues as submitted"); see also *Aquachem Co. v. Olin Corp.*, 699 F.2d 516, 521 (11th Cir. 1983) ("There is a logical and probable explanation for the jury's answers, so the verdict must be accepted").

In the case at bar the trial court's written judgment holding invalid all the claims of the '799 patent is supported by the jury findings that the subject matter of the claims was on sale and in public use in the inventor's own demonstrator. The judgment thus represented a reconciliation with the jury answers that all but two of these same claims were not invalid for obviousness. The jury could have answered that the claimed subject matter was unobvious at the time the invention was made, in light of prior patents or other publications or the prior devices of others. That reconciliation is supported by the structure of the interrogatories.

The interrogatory on obviousness of the '799 claims was simply put, tracking the words of 35 U.S.C § 103:

11(a). Do you find that Kimball has proved by clear and convincing evidence that the subject matter as a whole of each of the following claims of the Watson '799 patent would have been obvious to a person having ordinary skill in the art pertaining to the subject matter of the Watson '799 patent at the time the invention was made:
[listing the 24 claims at issue]

The lengthy jury instruction on the question of obviousness included the following:

As I just instructed you, in arriving at your decision on the issue of whether or not the claimed invention is obvious or would have been obvious to one of ordinary skill in the art, you must first determine the scope and content of the prior art. This means that you must determine what prior art is reasonably pertinent to the particular problem with which the inventor was involved.

Prior art includes the following: Prior patents . . . prior publications . . . patents that have a filing date prior to the date of the invention . . . any device or apparatus in public use or on sale before the critical date . . . [or] publicly known to be used before the date of the invention . . . [or] made or built by another person before the date of invention . . . [and] not abandoned, suppressed, or concealed.

The entire instruction occupied four and a half pages, and ended with the following:

The starting place for determining the issue of obviousness . . . is with the person of ordinary skill working in his shop with all of the prior art references which he is presumed to know hanging on the walls around him. The question of obviousness depends on not only what the prior art references expressly teach but on what they would collectively suggest to one of ordinary skill in the art.

Armed with the information of the prior art, would it then be obvious or unobvious to this person of ordinary skill in the art to arrive at the invention? This is the question that must be answered by you on the issue of obviousness.

The court's discussion and instructions on the issue of obviousness were given before its discussion and instructions on the issues of public use/on sale. After the court finished its presentation on the law of obviousness, it said: "Now, the next tab is labeled, 'On Sale,' a different subject." There followed a long explanation of the law of "on sale" and "public use", occupying three pages of transcript;

but in this explanation the court did not state that the "on sale" questions must be answered first and then be considered in connection with the previously discussed issue of obviousness, or that what was "on sale" is part of the prior art.

Indeed, Allen Organ argues that the instructions did not make clear that the answers to the questions on public use or on sale could affect the answers on obviousness. We agree. As in *Willard*, the presentation of the instructions can explain why the jury may not have considered its answers to the interrogatories on public use/on sale in its answers to the interrogatories on obviousness.

In contrast, the jury's answers to the interrogatories on obviousness are entirely consistent with the answers to the interrogatories on anticipation. Interrogatories 10(a), 10(b), and 10(c), relating to the three prior art references (the Davis, Pearson, and Klann patents) that were asserted to anticipate the '799 claims, were grouped with interrogatory 11(a) on obviousness; all under the heading "anticipation". These answers, claim by claim, are mutually consistent.

The interrogatories directed to public use and on sale, and to the prior devices, were not listed under the heading "anticipation". Their pertinency was presented in terms of the law of 35 U.S.C. §§ 102(a), (b), and (g), not as a matter of section 103 prior art. It is plausible and reasonable that the jury treated them, as the court instructed, as "a different subject". Reinforcing this conclusion is our observation that neither party nor the trial judge mentioned while the jury was empanelled, or in Allen Organ's motion for interpretation, the inconsistency in the jury's answers that is so heartily pressed on appeal.

Appellate courts should be slow to impute to juries a disregard of their duties, and to trial courts a want of diligence or perspicacity in appraising the jury's conduct.

Fairmount Glass Works v. Cub Fork Coal Co., 287 U.S. 474, 485, 53 S.Ct. 252, 255, 77 L.Ed. 439 (1933).

We conclude that the district court correctly held that all the claims of the '799 patent were invalid based on the jury's findings that the subject matter thereof had been in public use and on sale more than one year before the critical date, and that these findings are reconcilable with the jury's findings on unobviousness. Allen Organ's request that we order a new trial is denied.

(g) *Judgment n.o.v.*

Careful review of the record, necessitated by the parties' combined challenged to the entire trial process, shows substantial evidence in support of the jury's presumed finding that the demonstrator embodied all the '799 patent claims including the percussive claims. For example, Deutsch, inventor of the '806 patent and an employee at Rockwell, testified "all these claims [percussive claims 4, 22, 23, 32 and 33] read on the demonstrator".

The record also shows substantial evidence on which a reasonable jury could have found the demonstrator to have been in public use and on sale, and that the use was not primarily experimental. *See Baker Oil Tools Inc. v. Geo Vann, Inc.*, 828 F.2d 1558, 1563-64, 4 USPQ2d 1210, 1213-14 (Fed.Cir.1987).

We conclude that the district court did not err in denying Allen Organ's motion for judgment n.o.v. with respect to the '799 patent claims.

The '806 Patent

The jury, answering interrogatory 11(b), held the subject matter of the six claims at issue of the Deutsch '806 patent to be unobvious. There was no issue of any on sale or public use bar. In response to the only other interrogatory submitted with respect to the '806 patent:

Do you find that the Deutsch '806 patent fails to describe the Adaptive Sustain System in sufficient detail to enable a person skilled in the art of electronic keyboard musical instruments to make and use the claimed invention?

the jury answered "Yes".

Counsel for both sides agreed that the invalidity of the '806 patent rested solely on the issue of enablement, 35 U.S.C. § 112. Although enablement is deemed to be a question of law, it is amenable to resolution by the jury. *Spectra-Physics, Inc. v. Coherent, Inc.*, 827 F.2d 1524, 1533, 3 USPQ2d 1737, 1742-43 (Fed.Cir.), *cert. denied*, — U.S. —, 108 S.Ct. 346, 98 L.Ed.2d 372 (1987). Appellate review of the jury's verdict requires review of whether a reasonable jury could have made the underlying factual findings necessary to provide substantial evidence in support of the jury's conclusion. *See Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1551-52, 220 USPQ 193, 200-01 (Fed.Cir.1983).

The major challenge to the '806 claims was to the details of recognition logic block 172 of Figure 11 of the specification. Kimball's witnesses on the issue included Dr. John Tooley, presented as an expert in electrical engineering who owned an electronic organ, who testified that the '806 patent did not provide enough information to build the circuit. Another Kimball witness, Alberto Kniepkamp,

an engineer with the Lowrey Organ Company, testified that "even if I understand what [certain parts of the patent disclosure] probably do . . . I couldn't build it from this block diagram" or its description in the specification.

Allen Organ's witnesses testified that block 172 could be provided by a standard off-the-shelf item, and also that it could be readily designed by one of ordinary skill in the design of such components. Watson, inventor of the '799 patent, was requested by counsel for Kimball, during cross-examination, to provide the circuit details for block 172. Watson completed this task out of court at the district court's invitation. The resulting document, marked "Allen Trial Exhibit 120",⁴ bears Dr. Watson's notation that block 172 is a "14 to 16 Line Decoder i.e. National MM74C154". Witness Bruce Fritchman testified that a person skilled in digital circuits would be able to build the recognition logic in block 172, stating that a "14 to 16 line decoder is a straightforward logical function to implement" and that it was so prior to the filing date of the '806 patent.

The jury was instructed:

The disclosure and the specification must contain — this is a quote from the statute — "a written description of the invention and of the manner and process of making and using it," and must further set forth, "in such full, clear, concise and exact terms as to enable any person skilled in the art to which it pertains —" in this case the art of

4. Although Kimball argues that this document was never admitted, it was referred to by witnesses for both sides, and the district court stated at the close of trial that "whatever I allowed testimony about, I will allow the physical document in." If Kimball disputed the authenticity of the document, it expressed no such objection to the district court.

electronic keyboard musical instruments — “to make and use the invention.”

Allen Organ argues that the instruction was flawed because it “did not advise the jury that the patent need not disclose every minute detail”, and that the instruction did not fairly advise the jury of the underlying factual issues to be resolved.

As we have discussed, Rule 51 requires that Allen Organ be deemed to have waived this objection to the instruction by failing to timely raise it. The instruction as given, to which Allen Organ agreed insofar as the point now raised is concerned, is the law of this case. *See Will v. Comprehensive Accounting Corp.*, 776 F.2d 665, 675 (7th Cir.1985), *cert. denied*, 475 U.S. 1129, 106 S.Ct. 1659, 90 L.Ed.2d 201 (1986) (“in a civil case each party must live with the legal theory reflected in instructions to which it does not object”); *Bio-Rad Laboratories, Inc. v. Nicolet Instrument Corp.*, 739 F.2d 604, 615, 222 USPQ 654, 662 (Fed.Cir.), *cert. denied*, 469 U.S. 1038, 105 S.Ct. 516, 83 L.Ed.2d 405 (1984) (“If no objection is raised, the instructions cannot be challenged on appeal unless great injustice would result”).

On conflicting evidence, applying the instruction given, a reasonable jury could have reached the conclusion here reached. The district court did not err in denying Allen Organ’s motion for judgment n.o.v. with respect to the ’806 patent claims.

Inequitable Conduct

Based on the jury’s answers, the district court held that inequitable conduct in the prosecution of the ’799 patent had not been proved. Kimball’s motion for judgment n.o.v. on this issue was denied, as was its request for attorney fees

on the position that this is an exceptional case, 35 U.S.C. § 285.

Kimball argued at trial that three material items were withheld from the patent examiner: Pearson U.S. Patent No. 2,989,885, Davis U.S. Patent No. 2,601,265, and the public use and on sale status of the Rockwell demonstrator. The jury answered a twelve-part interrogatory headed "Inequitable Conduct". The jury found that the attorney prosecuting the Watson '799 patent before the United States Patent and Trademark office did not fail to tell the patent examiner the material aspects of the Davis patent, but did so fail with respect to the Pearson patent. The jury found that the withheld Pearson information would not have been considered important by a reasonable patent examiner in deciding whether to issue the Watson patent. To the question of whether the attorney intended to withhold this information, the jury answered "No". With respect to the demonstrator, the jury found failure to advise the examiner about Rockwell's activities in regard to the demonstrator and that the information was material, but that there was no intent to withhold this information; Kimball argues that because the jury found that the Pearson and Davis patents anticipated claim 19 but not claims 12 and 20, and that the demonstrator embodied all the asserted claims of the '799 patent, inequitable conduct must be held as a matter of law.

Inequitable conduct requires proof by clear and convincing evidence of a threshold of both materiality and intent, findings which are then balanced, in this case by the court, to determine whether as a matter of law "the scales tilt to a conclusion that inequitable conduct occurred." *J.P. Stevens & Co. v. Lex Tex Ltd.*, 747 F.2d 1553, 1560, 223

USPQ 1089, 1092 (Fed.Cir.1984), *cert. denied*, 474 U.S. 822, 106 S.Ct. 73, 88 L.Ed.2d 60 (1985).

Kimball argues that despite the jury finding that Pearson would not have been considered important by a reasonable patent examiner, Pearson is highly material because the jury also found that it anticipates a claim of the '799 patent, and therefore that the threshold degree of intent exists as a matter of law. However, materiality does not presume intent, which is a separate and essential component of inequitable conduct. *KangaROOS U.S.A., Inc. v. Caldor, Inc.*, 778 F.2d 1571, 1573, 228 USPQ 32, 33 (Fed.Cir.1985); *J.P. Stevens & Co.*, 747 F.2d at 1560, 223 USPQ at 1092. The withholding of information must meet the thresholds of both materiality and intent, *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1363, 220 USPQ 763, 773 (Fed.Cir.), *cert. denied*, 469 U.S. 821, 105 S.Ct. 95, 83 L.Ed.2d 41 (1984), and absent intent to withhold it is not controlling whether the reference is found to anticipate or otherwise to be material. As discussed in *FMC Corp. v. Manitowoc Co.*, 835 F.2d 1411, 1415, 5 USPQ2d 1112, 1115 (Fed.Cir.1987), "[t]o be guilty of inequitable conduct, one must have intended to act inequitably". Such intent must be shown by "clear and convincing proof". *Id.* Inequitable conduct can not lie when "applicant's failure to disclose art or information did not result from an intent to mislead the PTO." *Id.*

Intent is a factual determination particularly within the province of the trier of fact. The jury finding of the absence of intent is subject to review on the same basis as other jury factual findings. *See generally Connell*, 722 F.2d at 1551-52, 220 USPQ at 200-01. The controlling law, as summarized in *Manitowoc*, is that in addition to a showing of materiality,

one who alleges a "failure to disclose" form of inequitable conduct must offer clear and convincing proof of: . . . (3) failure of the applicant to disclose the art or information resulting from an intent to mislead the PTO.

835 F.2d at 1415, 5 USPQ2d at 1115. The court iterated that "[n]o single factor or combination of factors can be said always to *require* an inference of intent to mislead" (emphasis in original). *Id.* at . . . , 5 USPQ2d at 1116. Our review of the jury's factual findings on intent is on the basis of whether a reasonable jury could have found an absence of intent to withhold the Pearson patent, on the evidence adduced.

The record shows that the application for the Deutsch '806 patent and the application for the Watson '799 patent were filed on the same day by the same patent lawyer. They were examined by the same patent examiner. Pearson was referred to in the '806 specification, but not in the '799 specification. Kimball points to testimony by Allen Organ's patent expert Louis Altman that "[t]he attorney blew it. He should have told the examiner about the Pearson patent in the context of the Watson application". Kimball did not mention Altman's further view:

But no harm was done because indirectly the examiner was able to see the relationship of Pearson in the Deutsch history to Watson, because he did tell him about it in the context of Deutsch and he told him about the connection between Watson and Deutsch.

The jury found that although Watson's attorney did not disclose Rockwell's activities in regard to the demonstrator, and an examiner would have considered

such information material, there was no intent on the part of the attorney to withhold such information from the examiner. There was evidence that Rockwell's patent attorneys knew about the demonstrator, but knowledge alone is not culpable intent, and the issue of whether the demonstrator met the requirements of the law governing the public use or on sale bars was vigorously disputed at trial and submitted to the jury for resolution.

Evidence and testimony on all sides of the questions was before the jury. The jury's finding of absence of intent has not been shown to be unsupported by substantial evidence, such that a reasonable jury could not have reached that result. *See Shatterproof Glass Corp. v. Libby-Owens Ford Co.*, 758 F.2d 613, 619, 225 USPQ 634, 636 (Fed.Cir.) *cert. dismissed*, 474 U.S. 976, 106 S.Ct. 340, 88 L.Ed.2d 326 (1985) ("In reviewing a decision denying a motion for judgment n.o.v. . . . [w]e review the evidence as a whole, and ascertain whether the verdict is in accordance with law, and whether there was substantial evidence in support of the jury's verdict").

Based on the jury's answers to the questions of materiality and intent the district court concluded that inequitable conduct had not been proved by clear and convincing evidence. *See Atlas Powder Co. v. E.I. Du Pont de Nemours & Co.*, 750 F.2d 1569, 1578, 224 USPQ 409, 415 (Fed.Cir.1984) ("the court must balance [materiality and intent] and determine as a matter of law whether the scales compel a conclusion that inequitable conduct occurred"). It is thus not controlling whether the Pearson reference was found to anticipate. As the court remarked in *American Hoist*, 725 F.2d at 1363, 220 USPQ at 773:

There is no reason, however, to be bound by any single standard [of materiality], for the answer to

any inquiry into fraud in the PTO does not begin and end with materiality, nor can materiality be said to be unconnected to other considerations

* * * * *

The jury must also determine how convincing has been the proof of intent, if at all.

The district court did not err in its ruling on the issue of inequitable conduct. Kimball thus has not established a basis for remand for application of 35 U.S.C. § 285.

Summary

The judgment of invalidity of the claims at issue of Watson U.S. Patent 3,610,799 and Deutsch U.S. Patent 3,610,806 is affirmed, as is the judgment that inequitable conduct was not proved.

AFFIRMED.

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

86-767 and 86-789

ALLEN ORGAN COMPANY,

Appellant, Cross-Appellee,

v.

KIMBALL INTERNATIONAL, INC.,

MACMILLAN, INC., and

CONN KEYBOARDS, INC.,

Appellees,

Cross-Appellants.

Before MARKEY, Chief Judge, BENNETT, Senior
Circuit Judge, and NEWMAN, Circuit Judge.

ORDER

A petition for rehearing having been filed in this case,
UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the
same hereby is, denied.

The suggestion for rehearing in banc is under con-
sideration.

Francis X. Gindhart, Clerk

4/4/88

Date

cc: Mr. Alfred P. Ewert
Mr. Albert L. Jeffers

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

86-767 and 86-789

ALLEN ORGAN COMPANY,

Appellant, Cross-Appellee,

v.

KIMBALL INTERNATIONAL, INC.,

MACMILLAN, INC., and

CONN KEYBOARDS, INC.,

Appellees, Cross-Appellants.

ORDER

A suggestion for rehearing in banc having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the suggestion for rehearing in banc is declined.

Judge Nies would grant the suggestion for rehearing in banc.

FOR THE COURT:

Francis X. Gindhart, Clerk

4/19/88

Date

cc: Mr. Alfred P. Ewert
Mr. Albert L. Jeffers

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

86-767 and 86-789

ALLEN ORGAN COMPANY,

Appellant, Cross-Appellee,

v.

KIMBALL INTERNATIONAL, INC.,

MACMILLAN, INC., and

CONN KEYBOARDS, INC.,

Appellees,

Cross-Appellants.

JUDGMENT

ON APPEAL from the United States District Court
for the Northern District of Illinois

in CASE NO(S). 78 C 541, 80 C 4599 and 83 C 4039

This CAUSE having been heard and considered, it is
ORDERED and ADJUDGED: AFFIRMED

ENTERED BY ORDER OF THE COURT

DATED Feb 12 1988

Francis X. Gindhart, Clerk

IN THE
UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

Allen Organ Company,

Plaintiff,

v.

No. 78 C 541

Macmillan, Inc.,

Defendant.

Allen Organ Company,

Plaintiff,

v.

No. 80 C 4599

Conn Keyboards, Inc.,

Defendant.

Kimball International, Inc.,

Plaintiff,

v.

No. 83 C 4039

Allen Organ Company,

Defendant.

FINAL JUDGMENT

This action came on for trial before the Court and a jury, Honorable John F. Grady, District Judge, presiding, and the issues of validity and enforceability of the patents in suit having been duly tried and the jury having duly rendered its answers to the special interrogatories propounded to it,

It is Ordered and Adjudged:

1. That Allen Organ Company take nothing in damages.

2. That the complaints of Allen Organ Company in 78 C 541 and 80 C 4599 be dismissed.

3. That the counterclaim of Allen Organ Company in 83 C 4039 be dismissed.

4. That judgment be entered on behalf of Macmillan, Inc. on the validity issues of the counterclaim for declaratory judgment in No. 78 C 541.

5. That judgment be entered on behalf of Conn Keyboards, Inc. on the validity issues of the counterclaim for declaratory judgment in No. 80 C 4599.

6. That judgment be entered on behalf of Kimball International, Inc. on the validity issues of the declaratory judgment complaint in 83 C 4039.

7. That Claims 1, 3, 5, 6, 12, 13, 14, 15, 19, 20, 27, 29, and 30 of Watson Patent No. 3,610,799 are invalid under 35 U.S.C. §102(g), based upon the jury's answers to Special Interrogatories 1(a), 1(b), and 1(c).

8. That Claims 1, 2, 3, 5, 6, 12, 15, and 19 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(g), based upon the jury's answers to Special Interrogatories 2(a), 2(b), and 2(c).

9. That Claims 1, 3, 5, 6, 12, 13, 14, 15, 16, 17, 19, 20, 27, 29, 30, 34, 35, and 36 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(g), based upon the jury's answers to Special Interrogatories 3(a), 3(b), and 3(c).

10. That Claims 1, 3, 5, 6, 12, 13, 14, 15, 19, 20, 27, 29, and 30 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(a), based upon the jury's answer to Special Interrogatory 4(a).

11. That Claims 1, 2, 3, 5, 6, 12, 15, and 19 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(a), based upon the jury's answer to Special Interrogatory 4(b).

12. That Claims 1, 3, 5, 6, 12, 13, 14, 15, 16, 17, 19, 20, 27, 29, 30, 34, 35, and 36 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(a), based upon the jury's answer to Special Interrogatory 4(c).

13. That Claims 1, 2, 3, 4, 5, 6, 12, 13, 14, 15, 16, 17, 19, 20, 22, 23, 27, 29, 30, 32, 33, 34, 35, and 36 of Watson Patent 3,610,799, all claims of the Watson patent in issue, are invalid under 35 U.S.C. §102(b) based on the jury's answers to Special Interrogatories 5(a) and 5(b) finding that the subject matter of these claims was "in public use" prior to the critical date of October 30, 1968.

14. That Claims 1, 2, 3, 4, 5, 6, 12, 13, 14, 15, 16, 17, 19, 20, 22, 23, 27, 29, 30, 32, 33, 34, 35, and 36 of Watson Patent 3,610,799, all claims of the Watson patent in issue, are invalid under 35 U.S.C. §102(b) based on the jury's answers to Special Interrogatories 5(c) and 5(d) finding that the subject matter of these claims was "on sale" prior to the critical date of October 30, 1968.

15. That Claims 1, 3, 5, 6, 12, 13, 14, 15, 19, 20, 27, 29, and 30 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(b) based upon the jury's answer to Special Interrogatory 6(a) finding that the subject matter of these

claims was "in public use" prior to the critical date of October 30, 1968.

16. That Claims 1, 3, 5, 6, 12, 13, 14, 15, 19, 20, 27, 29, and 30 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(b) based upon the jury's answer to Special Interrogatory 6(b) finding that the subject matter of these claims was "on sale" prior to the critical date of October 30, 1968.

17. That Claims 1, 2, 3, 5, 6, 12, 15, and 19 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(b) based upon the jury's answers to Special Interrogatories 7(a) and (b) finding that the subject matter of these claims was "in public use," but not "on sale," prior to the critical date of October 30, 1968.

18. That Claims 1, 3, 5, 6, 12, 13, 14, 15, 16, 17, 19, 20, 27, 29, 30, 34, 35, and 36 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §102(b) based upon the jury's answers to Special Interrogatories 8(a) and 8(b) finding that the subject matter of these claims was "in public use," but not "on sale," prior to the critical date of October 30, 1968.

19. That Claim 19, but not Claims 12 or 20, of Watson Patent 3,610,799 is invalid under 35 U.S.C. §102(a) and (b) as being fully anticipated by Pearson Patent 2,989,885 based on the jury's answer to Special Interrogatory 10(a).

20. That Claim 19, but not Claims 12 or 20, of Watson Patent 3,610,799 is invalid under 35 U.S.C. §102(a) and (b) as being fully anticipated by Davis Patent 2,601,265 based upon the jury's answer to Special Interrogatory 10(b).

21. That, based on the jury's answer to Special Interrogatory 11(a), the Court finds, as a matter of law, that Claims 1 and 19 of Watson Patent 3,610,799 are invalid under 35 U.S.C. §103.

22. That, based upon the jury's answers to Special Interrogatories 11(a) and (b), the Court finds, as a matter of law, that Claims 2, 3, 4, 5, 6, 12, 13, 14, 15, 16, 17, 20, 22, 23, 27, 29, 30, 32, 33, 34, 35, and 36 of Watson Patent 3,610,799 and Claims 1 through 6 of Deutsch Patent 3,610,806 are not invalid under 35 U.S.C. §103.

23. That, based upon the jury's answers to Special Interrogatories 12(a) through 12(l), the Court finds, as a matter of law, that Kimball et al. has failed to sustain its burden of proof on the issue of inequitable conduct and that, accordingly, Watson Patent 3,610,799 is not unenforceable on this basis.

24. That Claims 1, 2, 3, 4, 5, and 6 of Deutsch Patent 3,610,806, all claims of the Deutsch patent in issue, are invalid under 35 U.S.C. §112, as found by the jury in answer to Special Interrogatory 13.

25. That Macmillan, Inc., Conn Keyboards, Inc., and Kimball International, Inc. are the prevailing parties and shall recover from Allen Organ Company their costs of these actions.

Dated at Chicago, Illinois, this 15th day of November, 1985.

Judge John F. Grady

IN THE
UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

Allen Organ Company,

Plaintiff,

v.

MacMillan, Inc.,

Defendant.

Civil Action No.
78 C 541

Allen Organ Company,

Plaintiff,

v.

Conn Keyboards, Inc.,

Defendant.

Civil Action No.
80 C 4599

Kimball International, Inc.,

Plaintiff,

v.

Allen Organ Company,

Defendant.

Civil Action No.
83 C 4039

JURY FINDINGS

We, the Jury, submit our findings in the form of answers to the attached interrogatories this 4 day of November, 1985 at Chicago, Illinois.

PRIOR INVENTION

- 1 (a). Do you find that Coe Wescott built a multiplexed organ prior to the date of invention of the Watson '799 patent?

Yes X

No

- 1 (b). Do you find that Coe Wescott abandoned his organ?

Yes

No X

- 1 (c). Do you find that the subject matter of the following claims of the Watson '799 patent can be found in the Coe Wescott organ:

Claim 1	Yes	<u> X </u>	No	<u> </u>
Claim 2	Yes	<u> </u>	No	<u> X </u>
Claim 3	Yes	<u> X </u>	No	<u> </u>
Claim 4	Yes	<u> </u>	No	<u> X </u>
Claim 5	Yes	<u> X </u>	No	<u> </u>
Claim 6	Yes	<u> X </u>	No	<u> </u>
Claim 12	Yes	<u> X </u>	No	<u> </u>
Claim 13	Yes	<u> X </u>	No	<u> </u>
Claim 14	Yes	<u> X </u>	No	<u> </u>
Claim 15	Yes	<u> X </u>	No	<u> </u>
Claim 16	Yes	<u> </u>	No	<u> X </u>
Claim 17	Yes	<u> </u>	No	<u> X </u>
Claim 19	Yes	<u> X </u>	No	<u> </u>
Claim 20	Yes	<u> X </u>	No	<u> </u>
Claim 22	Yes	<u> </u>	No	<u> X </u>
Claim 23	Yes	<u> </u>	No	<u> X </u>
Claim 27	Yes	<u> X </u>	No	<u> </u>
Claim 29	Yes	<u> X </u>	No	<u> </u>
Claim 30	Yes	<u> X </u>	No	<u> </u>
Claim 32	Yes	<u> </u>	No	<u> X </u>
Claim 33	Yes	<u> </u>	No	<u> X </u>
Claim 34	Yes	<u> </u>	No	<u> X </u>
Claim 35	Yes	<u> </u>	No	<u> X </u>
Claim 36	Yes	<u> </u>	No	<u> X </u>

- 2 (a). Do you find that Lee Bauscher built a multiplexed organ prior to the date of invention of the Watson '799 patent?

Yes X

No

- 2 (b). Do you find that Lee Bauscher abandoned his organ?

Yes

No X

- 2 (c). Do you find that the subject matter of the following claims of the Watson '799 patent can be found in the Lee Bauscher organ:

Claim 1	Yes	<u> X </u>	No	<u> </u>
Claim 2	Yes	<u> X </u>	No	<u> </u>
Claim 3	Yes	<u> X </u>	No	<u> </u>
Claim 4	Yes	<u> </u>	No	<u> X </u>
Claim 5	Yes	<u> X </u>	No	<u> </u>
Claim 6	Yes	<u> X </u>	No	<u> </u>
Claim 12	Yes	<u> X </u>	No	<u> </u>
Claim 13	Yes	<u> </u>	No	<u> X </u>
Claim 14	Yes	<u> </u>	No	<u> X </u>
Claim 15	Yes	<u> X </u>	No	<u> </u>
Claim 16	Yes	<u> </u>	No	<u> X </u>
Claim 17	Yes	<u> </u>	No	<u> X </u>
Claim 19	Yes	<u> X </u>	No	<u> </u>
Claim 20	Yes	<u> </u>	No	<u> X </u>
Claim 22	Yes	<u> </u>	No	<u> X </u>
Claim 23	Yes	<u> </u>	No	<u> X </u>
Claim 27	Yes	<u> </u>	No	<u> X </u>
Claim 29	Yes	<u> </u>	No	<u> X </u>
Claim 30	Yes	<u> </u>	No	<u> X </u>
Claim 32	Yes	<u> </u>	No	<u> X </u>
Claim 33	Yes	<u> </u>	No	<u> X </u>
Claim 34	Yes	<u> </u>	No	<u> X </u>
Claim 35	Yes	<u> </u>	No	<u> X </u>
Claim 36	Yes	<u> </u>	No	<u> X </u>

- 3 (a). Do you find that the Klann/Conn organ was a multiplexed organ built prior to the date of invention of the Watson '799 patent?

Yes X

No

- 3 (b). Do you find that the Klann/Conn organ was abandoned?

Yes

No X

3 (c). Do you find that the subject matter of the following claims of the Watson '799 patent can be found in the Klann/Conn organ:

Claim 1	Yes	<u>X</u>	No	<u> </u>
Claim 2	Yes	<u> </u>	No	<u>X</u>
Claim 3	Yes	<u>X</u>	No	<u> </u>
Claim 4	Yes	<u> </u>	No	<u>X</u>
Claim 5	Yes	<u>X</u>	No	<u> </u>
Claim 6	Yes	<u>X</u>	No	<u> </u>
Claim 12	Yes	<u>X</u>	No	<u> </u>
Claim 13	Yes	<u>X</u>	No	<u> </u>
Claim 14	Yes	<u>X</u>	No	<u> </u>
Claim 15	Yes	<u>X</u>	No	<u> </u>
Claim 16	Yes	<u>X</u>	No	<u> </u>
Claim 17	Yes	<u>X</u>	No	<u> </u>
Claim 19	Yes	<u>X</u>	No	<u> </u>
Claim 20	Yes	<u>X</u>	No	<u> </u>
Claim 22	Yes	<u> </u>	No	<u>X</u>
Claim 23	Yes	<u> </u>	No	<u>X</u>
Claim 27	Yes	<u>X</u>	No	<u> </u>
Claim 29	Yes	<u>X</u>	No	<u> </u>
Claim 30	Yes	<u>X</u>	No	<u> </u>
Claim 32	Yes	<u> </u>	No	<u>X</u>
Claim 33	Yes	<u> </u>	No	<u>X</u>
Claim 34	Yes	<u>X</u>	No	<u> </u>
Claim 35	Yes	<u>X</u>	No	<u> </u>
Claim 36	Yes	<u>X</u>	No	<u> </u>

PUBLICLY KNOWN AND USED BY OTHERS

- 4 (a). Do you find that the Wescott organ was publicly known or publicly used before the date of invention of the Watson '799 patent?

Yes X

No

- 4 (b). Do you find that the Bauscher organ was publicly known or publicly used before the date of invention of the Watson '799 patent?

Yes X

No

- 4 (c). Do you find that the Klann/Conn organ was publicly known or publicly used before the date of invention of the Watson '799 patent?

Yes X

No

PUBLIC USE AND ON SALE

- 5 (a). Do you find that the Rockwell demonstrator was in public use before the critical date of October 30, 1968?

Yes X

No

- 5 (b). If your answer to 5 (a) is "Yes," do you find that the subject matter of the claims of the Watson '799 patent was present in the Rockwell demonstrator at the time of the public use?

Yes X

No

- 5 (c). Do you find that the Rockwell organ system designed by Ralph Deutsch and George Watson was on sale before the critical date of October 30, 1968?

Yes X

No

- 5 (d). If your answer to 5 (c) is "Yes," do you find that the subject matter of the claims of the Watson '799 patent was present in the Rockwell demonstrator at the time it was on sale?

Yes X

No

- 6 (a). Do you find that the Wescott multiplexed organ was in public use before the critical date of October 30, 1968?

Yes X

No

- 6 (b). Do you find that the organ multiplexing system of Coe Wescott was on sale before the critical date of October 30, 1968?

Yes X

No

- 7 (a). Do you find that the Bauscher organ was in public use before the critical date of October 30, 1968?

Yes X

No

- 7 (b). Do you find that Bauscher had an organ multiplexing system on sale before the critical date of October 30, 1968?

Yes

No X

8 (a). Do you find that the Klann/Conn organ was in public use before the critical date of October 30, 1968?

Yes X

No

8 (b). Do you find that the Klann/Conn organ was on sale before the critical date of October 30, 1968?

Yes

No X

- 9 (a). Do you find that the Klann organ multiplexing system was sold by Klann to Conn Organ Company prior to the critical date of October 30, 1968?

No

9 (b). Do you find that the subject matter of the following claims of the Watson '799 patent is also found in the Klann organ multiplexing system:

Claim 1	Yes	<u> X </u>	No	<u> </u>
Claim 2	Yes	<u> </u>	No	<u> X </u>
Claim 3	Yes	<u> X </u>	No	<u> </u>
Claim 4	Yes	<u> </u>	No	<u> X </u>
Claim 5	Yes	<u> X </u>	No	<u> </u>
Claim 6	Yes	<u> X </u>	No	<u> </u>
Claim 12	Yes	<u> X </u>	No	<u> </u>
Claim 13	Yes	<u> X </u>	No	<u> </u>
Claim 14	Yes	<u> X </u>	No	<u> </u>
Claim 15	Yes	<u> X </u>	No	<u> </u>
Claim 16	Yes	<u> X </u>	No	<u> </u>
Claim 17	Yes	<u> X </u>	No	<u> </u>
Claim 19	Yes	<u> X </u>	No	<u> </u>
Claim 20	Yes	<u> X </u>	No	<u> </u>
Claim 22	Yes	<u> </u>	No	<u> X </u>
Claim 23	Yes	<u> </u>	No	<u> X </u>
Claim 27	Yes	<u> X </u>	No	<u> </u>
Claim 29	Yes	<u> X </u>	No	<u> </u>
Claim 30	Yes	<u> X </u>	No	<u> </u>
Claim 32	Yes	<u> </u>	No	<u> X </u>
Claim 33	Yes	<u> </u>	No	<u> X </u>
Claim 34	Yes	<u> X </u>	No	<u> </u>
Claim 35	Yes	<u> X </u>	No	<u> </u>
Claim 36	Yes	<u> X </u>	No	<u> </u>

ANTICIPATION

- 10 (a). Do you find that the entire subject matter of the following claims in the '799 patent is found in the prior art Pearson Patent No. 2,989,885:

Claim 12	Yes	<u> </u>	No	<u> X </u>
Claim 19	Yes	<u> X </u>	No	<u> </u>
Claim 20	Yes	<u> </u>	No	<u> X </u>

- 10 (b). Do you find that the entire subject matter of the following claims in the '799 patent is found in the prior art Davis Patent No. 2,601,265:

Claim 12	Yes	<u> </u>	No	<u> X </u>
Claim 19	Yes	<u> X </u>	No	<u> </u>
Claim 20	Yes	<u> </u>	No	<u> X </u>

- 10 (c). Do you find that the filing date of the Klann Patent No. 3,614,287, which is August 20, 1968, is earlier than the date of invention of the Watson'799 patent?

Yes

No X

10 (d). Do you find that the entire subject matter of the following claims are found in the Klann Patent No. 3,614,287:

Claim 1	Yes	<u> X </u>	No	<u> </u>
Claim 2	Yes	<u> </u>	No	<u> X </u>
Claim 3	Yes	<u> X </u>	No	<u> </u>
Claim 4	Yes	<u> </u>	No	<u> X </u>
Claim 5	Yes	<u> X </u>	No	<u> </u>
Claim 6	Yes	<u> X </u>	No	<u> </u>
Claim 12	Yes	<u> X </u>	No	<u> </u>
Claim 13	Yes	<u> X </u>	No	<u> </u>
Claim 14	Yes	<u> X </u>	No	<u> </u>
Claim 15	Yes	<u> X </u>	No	<u> </u>
Claim 19	Yes	<u> X </u>	No	<u> </u>
Claim 20	Yes	<u> X </u>	No	<u> </u>
Claim 22	Yes	<u> </u>	No	<u> X </u>
Claim 23	Yes	<u> </u>	No	<u> X </u>
Claim 27	Yes	<u> X </u>	No	<u> </u>
Claim 29	Yes	<u> X </u>	No	<u> </u>
Claim 30	Yes	<u> X </u>	No	<u> </u>
Claim 32	Yes	<u> </u>	No	<u> X </u>
Claim 33	Yes	<u> </u>	No	<u> X </u>

- 11 (a). Do you find that Kimball has proved by clear and convincing evidence that the subject matter as a whole of each of the following claims of the Watson '799 patent would have been obvious to a person having ordinary skill in the art pertaining to the subject matter of the Watson '799 patent at the time the invention was made:

Claim 1	Yes	<u> X </u>	No	<u> </u>
Claim 2	Yes	<u> </u>	No	<u> X </u>
Claim 3	Yes	<u> </u>	No	<u> X </u>
Claim 4	Yes	<u> </u>	No	<u> X </u>
Claim 5	Yes	<u> </u>	No	<u> X </u>
Claim 6	Yes	<u> </u>	No	<u> X </u>
Claim 12	Yes	<u> </u>	No	<u> X </u>
Claim 13	Yes	<u> </u>	No	<u> X </u>
Claim 14	Yes	<u> </u>	No	<u> X </u>
Claim 15	Yes	<u> </u>	No	<u> </u>
Claim 16	Yes	<u> </u>	No	<u> X </u>
Claim 17	Yes	<u> </u>	No	<u> X </u>
Claim 19	Yes	<u> X </u>	No	<u> </u>
Claim 20	Yes	<u> </u>	No	<u> X </u>
Claim 22	Yes	<u> </u>	No	<u> X </u>
Claim 23	Yes	<u> </u>	No	<u> X </u>
Claim 27	Yes	<u> </u>	No	<u> X </u>
Claim 29	Yes	<u> </u>	No	<u> X </u>
Claim 30	Yes	<u> </u>	No	<u> X </u>
Claim 32	Yes	<u> </u>	No	<u> X </u>
Claim 33	Yes	<u> </u>	No	<u> X </u>
Claim 34	Yes	<u> </u>	No	<u> X </u>
Claim 35	Yes	<u> </u>	No	<u> X </u>
Claim 36	Yes	<u> </u>	No	<u> X </u>

- 11 (b). Do you find that Kimball has proved, by clear and convincing evidence, that the subject matter as a whole of each of the following claims of the Deutsch '806 patent would have been obvious to a person having ordinary skill in the art pertaining to the subject matter of the Deutsch '806 patent at the time the invention was made:

Claim 1	Yes	<u> </u>	No	<u> X </u>
Claim 2	Yes	<u> </u>	No	<u> X </u>
Claim 3	Yes	<u> </u>	No	<u> X </u>
Claim 4	Yes	<u> </u>	No	<u> X </u>
Claim 5	Yes	<u> </u>	No	<u> X </u>
Claim 6	Yes	<u> </u>	No	<u> X </u>

INEQUITABLE CONDUCT

- 12 (a). Do you find that the applicant's attorney failed to tell the patent examiner the material aspects of the Davis patent?

Yes _____

No X

- 12 (b). If you found, in answering question 12 (a), that information was withheld from the patent examiner, do you find that a reasonable patent examiner would have considered the withheld information important in deciding whether to allow the Watson patent to issue?

Yes _____

No _____

- 12 (c). Was there "intent" on the part of the attorney to withhold the information from the examiner?

Yes _____

No _____

- 12 (d). Do you find that the attorney failed to tell the patent examiner the material aspects of the Pearson patent?

Yes X

No _____

- 12 (e). If you found, in answering question 12 (d), that information was withheld from the patent examiner, do you find that a reasonable patent examiner would have considered the withheld information important in deciding whether to allow the Watson patent to issue?

Yes _____

No X

- 12 (f). Was there "intent" on the part of the attorney to withhold the information from the examiner?

Yes _____

No X

- 12 (g). Do you find that the attorney failed to cite Pearson to the patent examiner in the papers filed in the Watson '799 patent application?

Yes X

No _____

- 12 (h). If you found, in answering question 12 (g), that Pearson was not cited to the patent examiner in the papers filed in the Watson '799 patent application, do you find that a reasonable patent examiner would have considered the withheld Pearson patent important in deciding whether to allow the Watson '799 patent to issue?

Yes _____

No X

- 12 (i). Was there "intent" on the part of the attorney to withhold the Pearson patent from the examiner?

Yes _____

No X

- 12 (j). Do you find that the attorney failed to tell the examiner about Rockwell's activities in regard to the demonstrator?

Yes X

No _____

- 12 (k). If you found in answering question 12 (j) that information was withheld from the patent examiner, do you find that a reasonable patent examiner would have considered the withheld information important in deciding whether to allow the Watson '799 patent to issue?

Yes X

No _____

- 12 (l). Was there "intent" on the part of the attorney to withhold the information from the examiner?

Yes _____

No X

- 13 . Do you find that the Deutsch '806 Patent fails to describe the Adaptive Sustain System in sufficient detail to enable a person skilled in the art of electronic keyboard musical instruments to make and use the claimed invention?

Answer "Yes" or "No"

Yes



(2)
No. 88-67

RECEIVED, U.S.
FILED
AUG 3 1988
J. SPANIEL, JR.
CLERK

IN THE
Supreme Court of the United States
October Term, 1988

ALLEN ORGAN COMPANY,

Petitioner,

—v.—

KIMBALL INTERNATIONAL, INC.,
MACMILLAN, INC.,
CONN KEYBOARDS, INC.,

Respondents.

**BRIEF IN OPPOSITION TO
PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

ALBERT L. JEFFERS, *Counsel of Record*
JOHN F. HOFFMAN
JEFFERS, HOFFMAN & NIEWYK
1500 Anthony Wayne Bldg.
Fort Wayne, IN 46802
(219) 426-1700
Counsel for Respondents



QUESTIONS PRESENTED FOR REVIEW

1. Where the jury returns possibly inconsistent special interrogatory answers which can be reconciled in only one logical and probable way, is the Seventh Amendment to the Constitution violated by the Federal Circuit's reconciliation of the interrogatory answers in that way, thereby affirming the lower court's judgment?

2. Does the Seventh Amendment to the Constitution require remand for a new trial when there are possibly inconsistencies in the jury's special interrogatory answers but the lower court reconciled such inconsistencies in the only logical, probable and plausible way possible?

3. Where the jury returns special interrogatory answers that are possibly

inconsistent, is the Seventh Amendment to the Constitution violated where the Court of Appeals follows established case law and resolves the possibly inconsistent answers in a logical and probable manner?

PARTIES

The caption contains the names of all parties. Herbourger Brooks, a British company, is a subsidiary of Kimball International, Inc. that is not wholly owned by Kimball.

TABLE OF CONTENTS

	<u>Page</u>
QUESTIONS PRESENTED FOR REVIEW	i
PARTIES	ii
TABLE OF AUTHORITIES	iv
STATEMENT OF THE CASE	1
REASONS FOR DENYING THE PETITION FOR WRIT OF CERTIORARI	7
CONCLUSION	14

TABLE OF AUTHORITIES

<u>Cases</u>	<u>Page</u>
<u>Atlantic and Gulf Stevedores, Inc. v. Ellerman Lines, Ltd.</u> 369 U.S. 355, 364 (1962).	7
<u>Gallick v. Baltimore and Ohio Railroad Company</u> 372 U.S. 108, 119 83 S. Ct. 659, 9 L. ED. 2d 618 (1963).	7
<u>Miller v. Royal Netherlands Steamship Company</u> 508 F.2d 1103	8,9,11
<u>Aquachem Company, Inc. v. Olin Corporation</u> , 699 F.2d 516, 521 (11th Cir. 1983)	9
<u>Statutes</u>	
35 USC §102	1
35 USC §102(b)	3
35 USC §102(g)	2,4,5, 10,12, 13
35 USC §103	12
Rule 49a of the Federal Rules of Civil Procedure	10

STATEMENT OF THE CASE

The case below was a patent infringement case in which the validity of Allen Organ Company's ("Allen") patent 3,610,799 was at issue. Allen sought and was granted a jury trial. Following a five week trial, the twelve person jury returned answers to special interrogatories invalidating all claims of Allen's patent on various grounds enumerated in 35 USC §102. Certain claims were invalidated on as many as twelve separate grounds, as is detailed in the chart, submitted separately to this Court and entitled Jury Findings of Invalidity (Exhibit A). This chart was also presented to the Court of Appeals for the Federal Circuit. The jury was discharged without objection by either party on the

basis of the alleged inconsistencies later argued by Allen on appeal.

The Court of Appeals did not ignore the reconciliation method proposed by Allen. The Court considered Allen's proposed reconciliation method but rejected it.

In its Petition for Certiorari, Allen has chosen only to address the findings of anticipation under 35 USC §102(g), which states:

"A person shall be entitled to a patent unless--

...

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it..."

In the chart (Exhibit A), the 35 USC 102(g) grounds of invalidity are identified as "Wescott Prior Invention", "Bauscher Prior Invention" and "Klann/Conn Prior Invention". Allen does not now

challenge the judgment of invalidity of the claims based on the other nine grounds, as summarized in the chart (Exhibit A) and which are set forth in the affirmed Final Judgment of the District Court in paragraphs 10 through 21 (Petitioner's App. pp. A-34 - A-36). Thus, even if this Court were to grant Certiorari and reverse on the issue presented by Allen, the claims of the '799 patent would remain invalid.

The jury found the subject matter of all claims of the patent-in-suit to be in public use and on sale more than one year before the filing date of the patent application (Pet. App. p. A-47). Based on these interrogatory answers, the District Court entered judgment that the patent was invalid under 35 USC §102(b) which states:

A person shall be entitled to a patent unless -

...

(b) the invention was ... in public use or on sale in this country, more than one year prior to the date of application for patent"

The issue of concealment as it applies to 35 USC §102(g) that is now so heartily advanced by Allen was not an issue in the case when presented to the jury. Judge Grady did not include a special interrogatory on this issue when the interrogatories were prepared and assembled in a conference in his chambers at the close of trial because it simply was not a contested issue. Neither party objected to the omission of an interrogatory directed to this "issue" and the Court of Appeals for the Federal Circuit concluded that Allen had waived its challenge to the jury instructions (Pet. App. A-11).

When defendant Kimball attempted to introduce at trial additional depositions to corroborate disclosure of the Wescott and Bauscher organs, the trial judge would permit only two depositions and indicated that if it became a bone of contention, additional evidence could be introduced later on. However, both sides waived this issue because it was no longer an issue in the case at trial, and a special interrogatory on concealment was not submitted to the jury.

The Court of Appeals for the Federal Circuit affirmed the invalidity judgment of the District Court, not by reliance on 35 USC §102(g), but by reliance on the subject matter of the claims of the patent having been in public use and on sale more than one year prior to the critical date:

"In the case at bar the trial court's written judgment holding invalid all the claims of the '799 patent is supported by the jury findings that the subject matter of the claims was on sale and in public use in the inventor's own demonstrator. The judgment thus represented a reconciliation with the jury answers that all but two of these same claims were not invalid for obviousness. The jury could have answered that the claimed subject matter was unobvious at the time the invention was made, in light of prior patents or other publications or the prior devices of others. That reconciliation is supported by the structure of the interrogatories."

...
"We conclude that the district court correctly held that all the claims of the '799 patent were invalid based on the jury's findings that the subject matter thereof had been in public use and on sale more than one year before the critical date, and that these findings are reconcilable with the jury's findings on unobviousness. Allen Organ's request that we order a new trial is denied." Allen Organ Company v. Kimball International, Inc. 839 F.2d. 1556 (Fed. Cir. 1988); Pet. App. pp. A-18, 21)

The Court of Appeals for the Federal Circuit affirmed the Court's judgment in its entirety, and Allen's Petitions for Rehearing and Rehearing in Banc were denied.

REASONS FOR DENYING THE
PETITION FOR WRIT OF CERTIORARI

The precedent of this Court is well established that, if there are seemingly inconsistent jury answers to special interrogatories, if there is a view that makes such answers consistent, they must be resolved that way. Atlantic and Gulf Stevedores, Inc. v. Ellerman Lines, Ltd. 369 U.S. 355, 364 (1962). This Court has further stated in Gallick v. Baltimore and Ohio Railroad Company 372 U.S. 108, 119 83 S. Ct. 659, 9 L. ED. 2d 618 (1963):

"But it is the duty of the courts to attempt to harmonize

the answers, if it is possible under a fair reading of them ... We therefore must attempt to reconcile the jury's findings, by exegesis if necessary, ... before we are free to disregard the jury's special verdict and remand the case for a new trial."

Other Courts of Appeal have applied the law espoused by this Court in dealing with cases where there are seemingly inconsistent answers to jury special interrogatories. In Miller v. Royal Netherlands Steamship Company 508 F.2d 1103, 1106-7, (5th Cir. 1975), the Court stated:

"This court has stated that the test to be applied in reconciling apparent conflicts between the jury's answers is whether the answers may fairly be said to represent a logical and probable decision on the relevant issues as submitted, ..." [emphasis added]

In construing the jury's interrogatory answers, the Court employed a

totality of circumstances overview including a review of the proofs adduced at trial, the conduct of the trial and the trial Court's instructions. Miller, supra at 1107.

Similarly, the Court in Aquachem Company, Inc. v. Olin Corporation, 699 F.2d 516, 521 (11th Cir. 1983) stated the test thusly:

"The test to be applied in reconciling apparent conflicts between the jury's answers is 'whether the answers may fairly be said to represent a logical and probable decision on the relevant issues as submitted,..."
[emphasis added]

The flaw in Allen's argument as to why this Court should review this case is that Allen's reconciliation of the jury's interrogatory answers is not logical, probable or plausible. The reconciliation urged by Allen is that the jury had necessarily found the prior Wescott,

Bauscher and Klann/Conn organs to have been concealed. However, a specific jury interrogatory on concealment as it pertains to invalidity under 35 USC §102(g) was deliberately not submitted to the jury with the agreement of both parties and the trial judge. Rule 49(a) of the Federal Rules of Civil Procedure states in part:

"If ... the Court omits any issue of fact raised by the pleadings or by the evidence, each party waives the right to a trial by jury of the issue so omitted unless before the jury retires the party demands its submission to the jury. As to an issue omitted without such demand the Court may make a finding; or if it fails to do so, it shall be deemed to have made a finding in accord with the judgment on the special verdict."

Since concealment as an issue was waived by Allen and since Rule 49(a) states that the Court is deemed to have made a

finding in accordance with the judgment on the special verdict, Allen's "reconciliation" is totally implausible and illogical, and is dependent on this Court accepting the dubious premise that a legitimate issue existed, i.e. concealment of the prior art organs, when it was not acknowledged as an issue by the parties nor the judge when the case was submitted to the jury. In short, the Allen "reconciliation" may not "fairly be said to represent a logical and probable decision on the relevant issues as submitted". Miller, supra at 1106-7. Allen is attempting to inject an issue in this case which never existed in a last ditch attempt to reverse its losses at the District Court and Court of Appeals levels.

Where there is only one logical and plausible way to reconcile jury interrogatory answers, remand for a new trial is not permitted, as such would violate the prevailing party's Seventh Amendment right to a jury trial. For this reason alone, this case is not worthy of review by this Court, and the decision of the Court of Appeals should stand.

Even if Allen were to have a reasonable argument that the jury's answers on the 35 USC §102(g) and 35 USC §103 issues could be reconciled in two logical and plausible ways, Allen is asking this Court to review this case on an issue which was not relied on by the Court of Appeals in affirming the District Court's judgment. The jury found, in answering special interrogatories 5a-5d, that all claims of the '799 patent were in public

use and on sale prior to the critical date because of the patent owner's activities with respect to the demonstrator organ, which was the subject of extensive evidence at trial. The Court of Appeals for the Federal Circuit reconciled the jury's findings on the public use and on sale of the demonstrator organ with the jury's findings on obviousness, and denied Allen's request for a new trial (Pet. App. pp. A-18,21). This finding, which is completely dispositive of the case, is not challenged by Allen in its Petition. Allen appears to be asking this Court to review a decision of the Court of Appeals on an issue (invalidity under 35 USC §102(g)) which is not dispositive of the case and on which the Court of Appeals did not in any part base its decision in reconciling the

jury verdict and holding all claims of the patent invalid. This is yet another reason why this case should not be reviewed by this Court.

Neither the District Court nor the Court of Appeals made any redetermination of the facts as argued by Allen in its Petition. The Court interpreted the facts found by the jury and then rendered the legal conclusion that all claims of the patent were invalid.

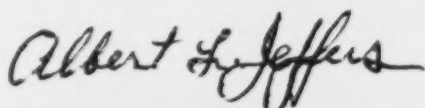
CONCLUSION

In its attempt to convince this Court to review this case, Allen is relying on a hypothetical, fictitious issue, namely, its allegation that there are two ways to reconcile the jury's interrogatory answers. There is, however, only one logical way to reconcile the jury's answers, which is

the way that the answers were reconciled by the District Court and the Court of Appeals. Furthermore, the issue argued by Allen would not be dispositive of the case and is not the issue on which the Court of Appeals affirmed the judgment holding all claims of the patent invalid.

For these reasons, respondent believes that this case is not appropriate for review by this Court, and therefore prays that Allen's Petition for Writ of Certiorari be denied.

Respectfully submitted,


A handwritten signature in cursive script, reading "Albert L. Jeffers".

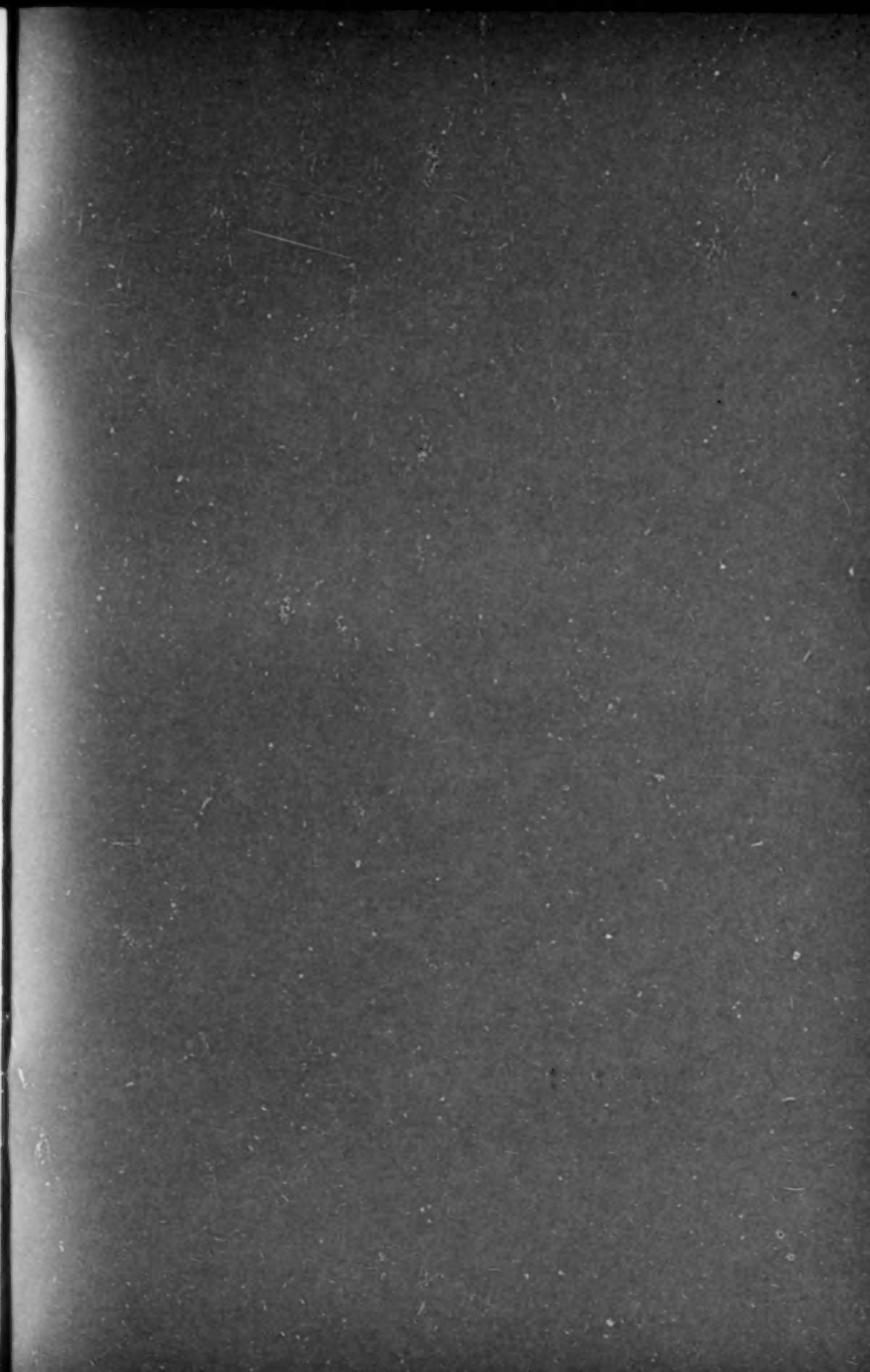
Albert L. Jeffers
Counsel of Record
John F. Hoffman
JEFFERS, HOFFMAN & NIEWYK
1500 Anthony Wayne Bldg.
Fort Wayne, IN 46802
(219) 426-1700

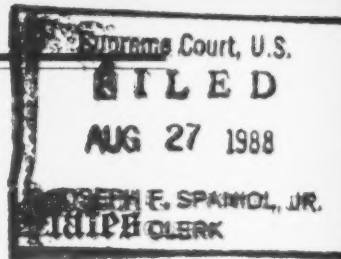
CERTIFICATE OF SERVICE

I, Albert L. Jeffers, a member of the Bar of the Supreme Court of the United States, hereby certify that on this date, August 3, 1988, I did serve the requisite number of copies of the foregoing upon counsel for Petitioner, by mailing the same, first class postage prepaid and addressed as follows:

David H. Pfeffer
MORGAN & FINNEGAN
345 Park Avenue
New York, New York 10154


Albert L. Jeffers
Attorney for Respondent
JEFFERS, HOFFMAN & NIEWYK
1500 Anthony Wayne Bldg.
Fort Wayne, IN 46802
(219) 426-1700





IN THE
Supreme Court of the United
October Term, 1988

ALLEN ORGAN COMPANY,

Petitioner,

— v. —

KIMBALL INTERNATIONAL, INC.,
MACMILLAN, INC.,
CONN KEYBOARDS, INC.,

Respondents.

**REPLY BRIEF IN SUPPORT OF
PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

DAVID H. PFEFFER, *Counsel of Record*

ALFRED P. EWERT

J. ROBERT DAILEY

KARL M. ZIELAZNICKI

MORGAN & FINNEGAN

Counsel for Petitioner

345 Park Avenue

New York, New York 10154

(212) 758-4800

Of Counsel:

SANFORD J. PILTCH

2895 Hamilton Boulevard

Allentown, Pennsylvania 18104

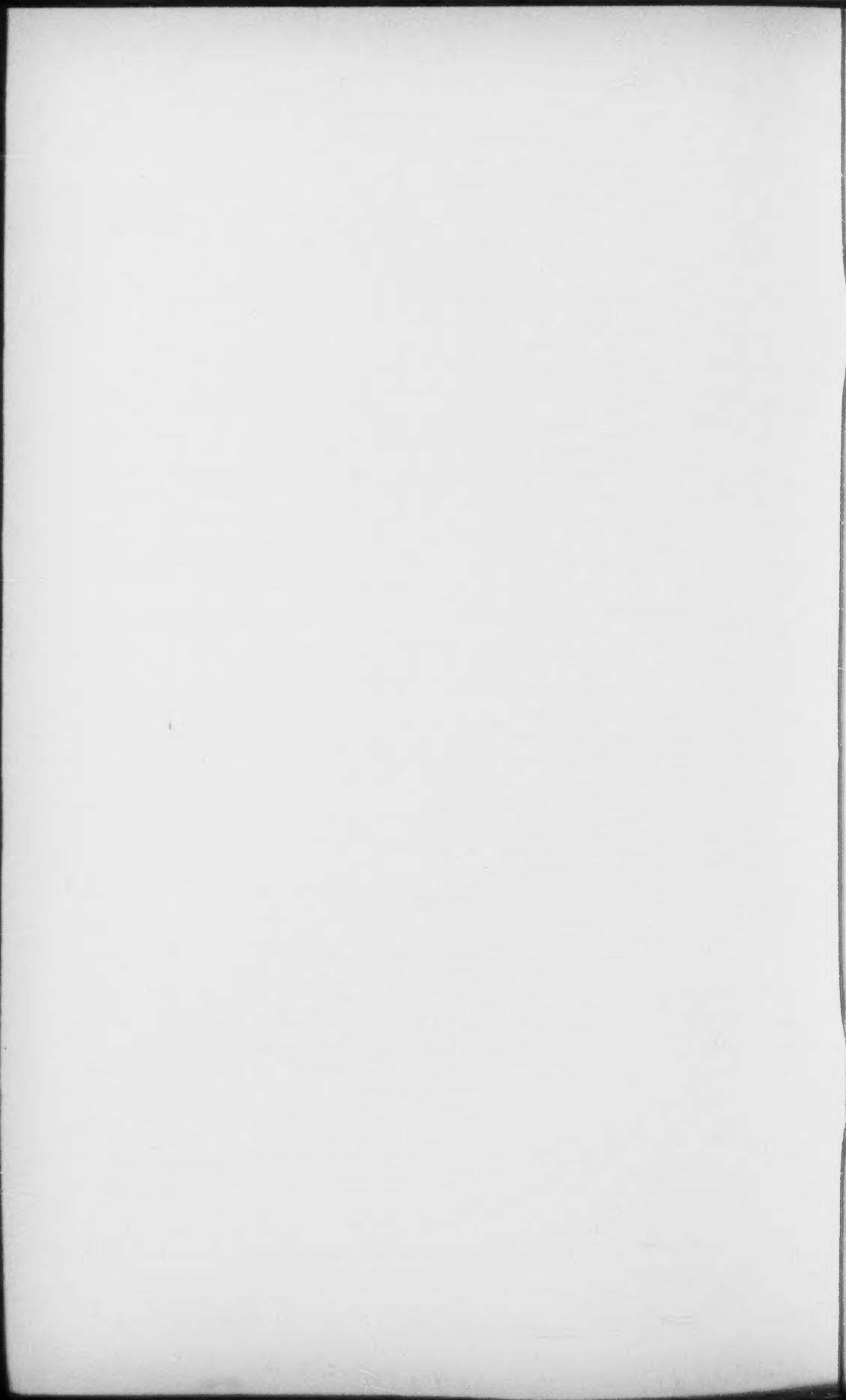


TABLE OF CONTENTS

	<u>Page</u>
ARGUMENT	
A. Respondent Changed The Facts And Then Argues That No Constitutional Issue Was Presented	1
B. Respondent's Mootness Issue Is Not Well Taken	2
C. The Waiver Issue Is Not Proper	3
CONCLUSION	4



TABLE OF AUTHORITIES

Cases

	<u>Page</u>
<i>Allen Organ Co. v. Kimball Int'l, Inc.</i> , 839 F.2d 1556 (Fed. Cir. 1988)	2
<i>Connell v. Sears, Roebuck & Co.</i> , 772 F.2d 1542 (Fed. Cir. 1983)	2

Statutes and Other Authorities

Seventh Amendment to the U.S. Constitution	1, 2, 3
35 U.S.C. § 102 (g)	3

REPLY BRIEF IN SUPPORT OF THE PETITION FOR WRIT OF CERTIORARI

A. Respondent Changed The Facts And Then Argues That No Constitutional Issue Was Presented

In opposing the Petition for a Writ of Certiorari, Respondent Kimball's statement of the issues is highly misleading. The premise of the Petition is that there were two equally plausible ways in which an apparent inconsistency in the jury verdict could be reconciled and that the Seventh Amendment to the Constitution precluded selection of one method over the other by the Court of Appeals.

At page 2 of the opposition brief, Respondent concedes the existence of the apparent inconsistency and concedes that Petitioner argued an alternate reconciliation theory before the Court of Appeals. But Respondent argues that the Court of Appeals rejected Petitioner's theory. Then, at pages 9-11, Respondent goes on to argue that Petitioner's proposed reconciliation did not "represent a logical and probable decision on the relevant issues as submitted." Having thus denigrated Petitioner's proposed reconciliation and having implied that the Court of Appeals agreed, Respondent urges that the inconsistent verdict could only be resolved in one way, and hence that the Seventh Amendment permitted the court to adopt that view and enter judgement accordingly.

The fallacy of Respondent's position is that the Court of Appeals did not "reject" Allen's proposed reconciliation. Nowhere in its decision did the Federal Circuit discuss or even mention the reconciliation proposed by Allen. The reconciliation proposed by Petitioner covered not only the prior invention defense discussed in the Petition by way of example, but also covered all the other defenses relating to the specific claims on appeal. Although a major portion of Allen's brief was devoted to this reconciliation, the Court of Appeals' opinion never discussed it.

Instead, the Court of Appeals felt itself obliged to accept the district court's rationalization if it was "logical and probable" under the circumstances "even though other equally persuasive

possibilities might be shown to exist." 839 F.2d. at 1564; App. p. A-17. In short, the Court of Appeals felt it permissible to ignore the "other equally persuasive possibilities," i.e. the reconciliation proposed by Allen, in light of the district court's reliance on Kimball's proposed reconciliation.

This squarely presents the Constitutional issue. By so selecting the Kimball reconciliation, and ignoring the Allen reconciliation, the Court of Appeals and the district court, rather than the jury, became the ultimate finders of fact in violation of the Seventh Amendment.

B. Respondent's Mootness Issue Is Not Well Taken

Referring to an "Exhibit A", which is not part of its brief or Appendix, Respondent seeks to show that even if certiorari were granted and the ultimate issue resolved in Petitioner's favor, the matter would be moot. But Respondent's chart notwithstanding, Petitioner has consistently opposed Respondent's position regarding all of the so-called "anticipation" defenses and explained why each should be reconciled in favor of Allen.

The issue presented in the Petition relates to the inconsistency between the jury's findings on *anticipation* (lack of novelty over prior art) and *non-obviousness* of the invention over the same prior art. Respondent's view of reconciliation, adopted by the Court of Appeals, was that the jury misunderstood the instructions on the obviousness issue and did not mean what it said in its finding of non-obviousness. Petitioner's "equally persuasive possibility" is that the jury's findings on the anticipation issues were not legally sufficient to meet the standards for patent claim invalidity and therefore were fully consistent and reconcilable with the jury's holdings that the same patent claims were not obvious.

Since "anticipation is the epitome of obviousness", *Connell v. Sears, Roebuck & Co.*, 772 F.2d 1542, 1548 (Fed. Cir. 1983), any view accepting the jury's verdict at face value would be hopelessly irreconcilable. And Respondent has, in its proposed statement of issues, conceded the inconsistency. But significantly, Respondent never addresses what the Court of Appeals meant when it referred to an "equally plausible" method of reconciliation. The

omission is cogent. If in fact there were at least two methods of reconciliation, as the Court of Appeals implied, then the Seventh Amendment to the Constitution precludes the adoption of one method at the expense of the other.

C. The Waiver Issue Is Not Proper

As further support for its "mootness" argument, Respondent argues waiver of the "concealment" issue that Petitioner relied upon. Respondent's argument is in error.

The jury was instructed that a successful prior art invention defense against the patent required proof that the prior invention had not been "abandoned, suppressed or concealed." The instructions were correct and therefore not objected to. See 35 U.S.C. § 102 (g). The jury interrogatories, however, on the alleged prior invention called for an express finding on "abandonment" but did not call for a finding on suppression or concealment or an ultimate finding on patent invalidity due to "anticipation." The obviousness findings, in contrast, required the jury to consider the suppression and concealment factors before deciding what could be considered as prior art.

Thus, as Petitioner reconciles the jury's findings on the prior invention defense, the jury found that the subject matter of the prior invention defense was not abandoned but, because it found the prior art insufficient to make the invention obvious, the prior invention was necessarily suppressed and/or concealed. As a result, that prior art was legally insufficient to invalidate the patent claims as anticipated.

CONCLUSION

Respondent does not dispute the fact that this Court has not ruled on the Constitutional impact of multiple methods of reconciling an inconsistency in a jury verdict. That issue is squarely presented in this case. The decision of the Court of Appeals is squarely inconsistent with a reasonable Constitutional interpretation.

The Petition for a Writ of Certiorari should be granted to resolve the issue.

Respectfully submitted,

DAVID H. PFEFFER, *Counsel of Record*

ALFRED P. EWERT
J. ROBERT DAILEY
KARL M. ZIELAZNICKI
MORGAN & FINNEGAN
Counsel for Petitioner
345 Park Avenue
New York, New York 10154
(212) 758-4800

Of Counsel:

SANFORD J. PILTCH
2895 Hamilton Boulevard
Allentown, Pennsylvania 18104

